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LEGISLATIVE HISTORY

Public Law 85-839
H. R. 376

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Index and summary of H. R. 376

- Jan. 3, 1957 Rep. Pfost introduced H. R. 376 which was referred to the House Agriculture Committee. Print of bill as introduced.
- Jan. 23, 1957 Sen. Neuberger (for himself and Sen. Morse) introduced S. 778 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced and remarks of Sen. Neuberger.
- Mar. 8, 1957 Sen. Potter introduced and discussed S. 1514 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced and remarks of Sen. Potter.
- July 12, 1957 Senate subcommittee ordered reported S. 778 and S. 1514.
- July 18, 1957 House subcommittee ordered H. R. 376 reported.
- Aug. 2, 1957 House committee ordered H. R. 376 reported.
- Aug. 8, 1957 House committee reported H. R. 376 with amendment. H. Report No. 1036. Print of bill and report.
- Aug. 20, 1957 Senate committee annulled its proposed favorable report on S. 778.
- Feb. 25, 1958 Rules Committee reported resolution for consideration of H. R. 376. H. Res. 484, H. Rept. No. 1393. Print of resolution and report.
- House committee submitted supplemental report on H. R. 376. H. Report No. 1036, part 2. Print of report.
- Feb. 26, 1958 Sen. Potter urged enactment of S. 778 or S. 1514.
- Mar. 13, 1958 House passed H. R. 376 with amendment.
- Mar. 14, 1958 H. R. 376 was referred to the Senate Agriculture and Forestry Committee. Print of bill as referred.
- May 21, 1958 Senate committee ordered H. R. 376 reported with amendment.
- May 26, 1958 Senate committee reported H. R. 376 with amendments. S. Report No. 1631. Print of bill and report.

Index and summary of H. R. 376, cont'd

June 23, 1958 Senate passed over H. R. 376 at the request of Sen. Hruska.

July 11, 1958 Senate passed H. R. 376 as reported.

July 17, 1958 House appointed conferees on H. R. 376.

July 21, 1958 Senate appointed conferees on H. R. 376.

July 31, 1958 Conferees agreed to file a report.

Aug. 7, 1958 Senate received and agreed to conference report on H. R. 376.

Aug. 12, 1958 House received conference report on H. R. 376.
H. Report No. 2559. Print of report.

Aug. 15, 1958 House agreed to the conference report.

Aug. 28, 1958 Approved: Public Law 85-839.

HEARINGS: Senate Agriculture and Forestry Committee
on S. 778 and S. 1514; Part 1, Aug. 12, 1957
and Part 2, Mar. 20, 21, 24, 25, 26, 1958.

House Agriculture Committee on H. R. 376, etc.,
May 1, 2, and 3, 1957.

DIGEST OF PUBLIC LAW 85-839

ONIONS FUTURES TRADING BAN. Imposes a ban on the making of contracts for the sale of onions for "future delivery" -- as distinguished from the sale of cash onions for "deferred shipment or delivery" -- on or subject to the rules of any board of trade in the U. S. Violation of the ban is made a misdemeanor, subject to a maximum fine of \$5,000.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1957

Mrs. PFOST introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Commodity Exchange Act is amended by inserting
4 after section 4i the following new section:

5 “SEC. 4j. No contract for the sale of onions for future
6 delivery on or subject to the rules of any board of trade in
7 the United States shall be made by or through a member of a
8 board of trade which has been designated under section 4 as
9 a contract market.”

10 SEC. 2. This Act shall take effect on the first day of
11 the first month which begins more than thirty days after
12 the date of its enactment.

A BILL

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

By Mrs. Frost

JANUARY 3, 1957

Referred to the Committee on Agriculture

IN THE SENATE OF THE UNITED STATES

JANUARY 23, 1957

Mr. NEUBERGER (for himself and Mr. MORSE) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the Commodity Exchange Act is amended by inserting
- 4 after section 4i the following new section:
- 5 “SEC. 4j. No contract for the sale of onions for future
- 6 delivery on or subject to the rules of any board of trade in
- 7 the United States shall be made by or through a member of a
- 8 board of trade which has been designated under section 4 as
- 9 a contract market.”
- 10 SEC. 2. This Act shall take effect on the first day of
- 11 the first month which begins more than thirty days after
- 12 the date of its enactment.

85TH CONGRESS
1ST SESSION

S. 778

A BILL

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

By Mr. NEUBERGER and Mr. MORSE

JANUARY 23, 1957

Read twice and referred to the Committee on Agriculture and Forestry

~~Allocation of funds under H. R. 1 based on \$600 million annual appropriation—Con.~~

State or territory	School age population (5 to 17) 1954	Percentage distribution of col. 2	Allotment by States
1	2	3	4
Alaska	1 33,000	\$0.08946969	\$536,810
American Samoa	2 7,000	.01897842	113,870
Canal Zone	2 10,000	.02711203	162,670
Guam	13,000	.08524563	211,400
Hawaii	130,000	.35215635	2,114,700
Puerto Rico	1 774,000	2.09847888	12,590,800
Virgin Islands	1 9,000	.02440088	146,400

¹ As of July 1, 1953. Later figures not available.

² As of Apr. 1, 1950. Later figures not available.

NOTE.—Allotment per child \$16.28487 in each State and Territory.

AMENDMENT OF COMMODITY EXCHANGE ACT, RELATING TO TRADING IN ONION FUTURES

Mr. NEUBERGER. Mr. President, last year, at the request of representatives of the Malheur County Onion Growers Association, in the Snake River Valley of eastern Oregon, I appeared before the House Agriculture Committee in support of House bill 7920, which would end futures trading in onions. The bill had wide support from onion growers all over the United States. It was their concerted opinion that such trading was chiefly responsible for the depressed prices which have afflicted the grower. The practice also contributed in great measure to overplanting and the ensuing surplus condition and glutting of the market.

When called on for a report on House bill 7920, the Department of Agriculture advised against favorable action on the bill. It was their wish that stricter regulations which were being imposed on trading in onion futures be observed and studied before the trading was stopped by legislative enactment. The committee bowed to the request and judgment of the Department.

A few months ago it was my privilege, Mr. President, to meet with representatives of the Malheur County Onion Growers Association, in Ontario, Oreg., to discuss this subject at length. In their judgment, regulation of the futures trading in onions would not correct the problems that beset the industry. Only abolition, they believe, will assure the balance between demand and supply that will enable these onion growers to stay in business—at least the business of growing onions.

A few days ago, House bill 376, which is similar to the one I supported last year, was introduced by Mrs. PFOST, the very able Congresswoman from Idaho. I understand a like bill will also be introduced by Congressman AL ULLMAN, the Representative of the Second District of Oregon, which includes Malheur County.

At this time, Mr. President, I introduce for appropriate reference, a companion bill to H. R. 376. My bill will stop the futures trading in onions in the commodity exchanges of the United States. At the proper time, I expect to appear before the House and Senate committees

to offer testimony in support of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 778) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF INTERNAL REVENUE CODE TO ENCOURAGE SMALL BUSINESS CONCERN TO ENGAGE IN FOREIGN TRADE

Mr. CAPEHART. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 to encourage small-business concerns engaged in foreign trade. The bill is introduced on behalf of the junior Senator from Indiana [Mr. JENNER], the Senator from Delaware [Mr. FREAR], the Senator from Florida [Mr. SMATHERS], and myself. I ask that the bill be appropriately referred, and that a statement which I have prepared be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 808) to amend the Internal Revenue Code of 1954 and to encourage small-business concerns to engage in foreign trade, introduced by Mr. CAPEHART (for himself, Mr. JENNER, Mr. FREAR, and Mr. SMATHERS), was received, read twice by its title, and referred to the Committee on Finance.

The statement, presented by Mr. CAPEHART, is as follows:

WESTERN HEMISPHERE TRADE CORPORATION ACT

I have introduced, for the consideration of the Senate, a bill to amend the Western Hemisphere Trade Corporation Act.

At the time a similar bill was introduced in the 84th Congress by the Senator from Delaware [Mr. FREAR] and myself, it was pointed out in our statements that a correction of the act is necessary in order to overcome the discriminatory effects of a Treasury Department interpretation against small business.

The correction is still needed since the Treasury Department has not changed the interpretation which now requires that title to all exports to Western Hemisphere nations must change hands outside the United States in order to qualify the exporter for the 14 percentage points benefit in corporation income tax.

It can be shown that large corporations have no problem meeting the Treasury interpretation to gain the tax benefits, but the small-business man, in most cases, finds it financially impossible to meet the Treasury Department requirements.

It can also be shown that the original intent of the act was to stimulate all export business to Western Hemisphere countries through a medium of meeting competition from low-labor-cost countries on the Western Hemisphere market and that it was never intended the act should discriminate against small business.

The bill I have introduced today for myself and the Senator from Delaware [Mr. FREAR], the Senator from Indiana [Mr. JENNER], and the Senator from Florida [Mr. SMATHERS]

spells out the intent of the Congress when it passed the original act and eliminates the discriminatory effect of the Treasury Department interpretation.

I should also like to call to the attention of the Senate the statement made at the close of the last session of Congress by the chairman of the Senate Committee on Finance that a study of the act and Treasury Department interpretation appeared to be in order.

ECONOMIC ASSISTANCE TO THE AMERICAN INDIANS

Mr. LANGER. Mr. President, on behalf of myself and a number of other Senators, I introduce, for appropriate reference, a bill to provide economic assistance to the American Indians.

I ask unanimous consent that a statement which I have prepared with reference to my bill may be read at this time by the clerk.

The VICE PRESIDENT. Without objection, the statement will be read, as requested.

The legislative clerk read as follows:

Mr. LANGER. Mr. President, this year, Congress will appropriate billions of dollars to take care of people outside of the United States of America. It is incumbent upon Congress, therefore, to appropriate \$200 million to service properly the needs of the American Indians living on reservations throughout the United States. It is a fitting commentary that year after year we are failing to appropriate sufficient sums to care for these native Americans as to their health, education, social welfare, employment, relocation, loans for housing, and chances to earn a decent income.

The United States Senate Subcommittee to Investigate Juvenile Delinquency has held hearings in four areas in North Dakota on or near the Standing Rock Indian Reservation, Fort Berthold Reservation, Turtle Mountain Reservation, and Fort Totten Indian Reservation. Hearings were also held in Phoenix, Ariz., and Palm Springs, Calif., which covered Indian reservations in New Mexico, Arizona, California, and parts of Colorado, Utah, and Nevada. Further hearings were held in Montana, affecting Indian tribes in Montana, Wyoming, and Idaho. Proposed hearings in Washington, Oregon, and Oklahoma had to be postponed. Hearings before the Senate Indian Affairs Subcommittee and conferences held by Glenn Emmons, Commissioner of Indian Affairs, also revealed much evidence of conditions on Indian reservations. During the course of these hearings, much evidence was received in the form of testimony, charts, schedules, and statistics pointing to the great needs and problems of the Indian people. A detailed report was submitted to the Congress on the findings and recommendations as a result of these hearings and other material gathered by the staff through research.

However, it is necessary to report briefly on health, education, welfare, relocation, law and order, poor living conditions, low incomes, and the need for employment which make it mandatory that this bill for \$200 million to aid the economy of the Indians be seriously con-

sidered by the Congress of the United States.

HEALTH

In the field of health, we find that the Indians in practically every part of the country are suffering from chronic and contagious illnesses. Statistics show that the tuberculosis rate of the Indians is 121.1 per 100,000 as compared with 22.5 per 100,000 of the total population of the United States. The pneumonia and influenza death rate among Indians is 114.9 per 100,000 as compared with 31.3 per 100,000 of the total population. Further, it should be noted that there were 91.7 deaths of Indians under 1 year of age per 1,000 births, as compared with a rate of 31.5 per 1,000 live births of non-Indians. A survey of the Papago and Navaho Indians shows that the infant mortality rate in those 2 reservations was approximately 50 percent. The life expectancy of the American Indian is 17 years as compared with the national average of 69 years.

Among the greatest needs to improve the health conditions of the American Indian, naturally, are more money, hygienic facilities, and clinics. Dr. Shaw, of the Health Branch of the Bureau of Indian Affairs, has stated that in a recent program inaugurated in the State of Washington, astounding improvement was shown in the health of the Indians in that State. With comparable funds, amazing improvements can likewise be realized in the 25 remaining States which contain Indian reservations.

EDUCATION

Despite the fact that we in this country take great pride in our public school educational system, it is unbelievable that on the Navaho reservation in the 1952-1953 school year, out of 28,000 children between the ages of 6 and 18, less than 6,000 attended school. With the passage of the Navaho-Hopi Rehabilitation Act, there are now 22,751 children between the ages of 6 and 18 in school, and the remaining number who are not in school are expected to enroll within the next year or so.

This is one perfect example of the achievement of remarkable results after Congress has acted to remedy a crying need, as it has done in its rehabilitation program for the Navaho and Hopi tribes. Testimony taken on the Papago reservation shows that 60 percent of the Papago Indians do not speak English. Statistics such as these are reflected on Indian reservations throughout the country.

WELFARE

One of the greatest needs on the Indian reservations is for expert community counselors and qualified welfare workers. Many State welfare departments are attempting to give service on reservations, but meager funds for this purpose result in a service which, where existent, is on a "too little and too late" basis. Special Federal appropriations for the development of additional child-welfare services in Indian reservations would, in the long run, save the still larger sums which will be required to pay the costs which will be involved in caring

for neglected youngsters grown into adult liabilities of the community.

The Indian Bureau has pointed out that the child-welfare workers, in many instances, are unable to do any counseling whatsoever because of the limited staff, and the main duties performed are only the processing of applications for welfare.

RELOCATION

Much has been said of the advantages of the relocation of the American Indians from the overcrowded reservations to areas where they can obtain year-around employment and better housing. However, the program is grossly inadequate and the services rendered to the relocated families are ineffective because of the very small appropriation for such purposes. It is a known fact that since the relocation program has started there has been in the past years on the various Indian reservations so great an increase in the birthrate that the relocation program does not noticeably reduce the number remaining on the reservations.

Another great need in the relocation program is to assure the Indians who are relocated that they will receive the services which are provided for them on the reservation until they are able to adjust themselves to their new environment. This would greatly reduce the number—30 percent—who return to the reservations because of the lack of these services outside the reservations.

LAW AND ORDER

One of the biggest problems on the Indian reservation is that of effective law and order. In a recent congressional report on Indian affairs a very pertinent observation was made on law and order which gives a clear picture of the situation on any Indian reservation. The need for adequate law and protection is urgent. Although the tribes are making a commendable effort to cope with the situation, much still remains to be done. The existing conditions contribute to lawlessness, a breakdown of morals and morale, and an increase in delinquency, which becomes a great burden upon the people.

In 1951 the Indian Bureau requested of Congress and the Budget Bureau an appropriation of \$1,400,000 for its law-and-order program. It was cut down to approximately \$350,000. Imagine a law-enforcement program being cut down to approximately one-fourth of what it asks for. Imagine Washington, D. C., having a police force reduced by 75 percent in the face of increased need for protection. What could we expect here? Testimony from police officer Pat Nelson on the Navaho Indian Reservation revealed that the reservation needs 38 additional police officers, plus 20 additional vehicles to transport them over the 25,000 square miles they are supposed to cover.

In North Dakota we found the same crying need for law-enforcement services. In a hearing before the subcommittee it was testified that one officer takes care of all Indian reservations in Montana and a part of Wyoming. The testimony also divulged that because of the insufficient funds for personnel and

facilities, only the more serious offenses can be dealt with.

POOR LIVING CONDITIONS AND LOW INCOMES

Testimony adduced before the Juvenile Delinquency Subcommittee in North Dakota, Arizona, California, and Montana pointed to the primitive living conditions under which the Indians live. Imagine a mother, father, and 13 children living in a 1-room cottage with no flooring, no utilities, no water, and no sanitation.

It took only a little money appropriated by Congress in 1954 for the Ute Mountain and Southern Ute Tribes to make it possible for the Utes, in the southwestern corner of Colorado, to construct model 3-bedroom bungalows for all the families. These homes are comparable to the fine homes that the average American workingman lives in. This is another indication of what an adequate appropriation from Congress can do for the betterment of the living conditions of the American Indians.

LIVING CONDITIONS

The low-income level of the Indians is reflected in statistics which show that some Indian families receive an annual income, from all sources, of as low as \$400 a family a year. Families receiving \$1,200 or more are in the minority. In comparable areas the non-Indian family's income is usually \$2,500 or more a year.

Certain Indian reservations have been fortunate, through Government and private activities, to be located near industries which afford year-round jobs for the Indian people. An extension of such a program is greatly needed to raise the income level of the average Indian family.

At a meeting called jointly by the junior Senator from North Dakota [Mr. YOUNG] and myself on January 7, 1957, in my office, Senators and Members of the House of Representatives from 11 States met with representatives of the Department of Defense, Office of Defense Mobilization, Department of Interior, Department of Commerce, and two Senate subcommittees. There were two primary subjects of discussion: First, a plan to bring more industrial plants to or near the various Indian reservations in the United States; and second, to urge the continuing operation of the Turtle Mountain ordnance plant at Rolla, N. Dak., which hires almost exclusively Indian skilled labor in the production of jewel bearings for defense and other purposes.

After fully discussing both of these issues for almost 3 hours, in summary these points were reached: First, the Indian people have proven themselves as capable and industrious, and have an excellent record of average daily attendance on the job. It was pointed out that at the Rolla jewel-bearing plant in North Dakota, the turnover of employees was only 3 percent, whereas in a similar plant in Massachusetts, employing non-Indian labor, the turnover of employees was 100 percent; second, the Indian people, contrary to some public belief, have adapted themselves to a special type of skilled la-

IN THE SENATE OF THE UNITED STATES

MARCH 8 (legislative day, MARCH 2), 1957

Mr. POTTER introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Commodity Exchange Act is amended by inserting
4 after section 4i the following new section:

5 “SEC. 4j. No contract for the sale of onions for future
6 delivery on or subject to the rules of any board of trade in
7 the United States shall be made by or through a member of a
8 board of trade which has been designated under section 4 as
9 a contract market.”

10 SEC. 2. This Act shall take effect on the first day of
11 the first month which begins more than thirty days after
12 the date of its enactment.

85TH CONGRESS
1ST SESSION

S. 1514

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

By Mr. POTTER

MARCH 8 (legislative day, MARCH 2), 1957
Read twice and referred to the Committee on Agriculture and Forestry

I should like to emphasize that the Department of Labor, and other executive agencies, have several objections to the bill, and that it has been cleared by the Bureau of the Budget for the purpose of providing a basis of consideration by the Congress of the issues involved.

Mr. President, I ask unanimous consent that a letter from the Bureau of the Budget to the Secretary of Defense concerning the bill, and a letter of transmittal from the Secretary of the Navy, explaining the bill, be printed in the body of the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bill (S. 1505) to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes, introduced by Mr. SMITH of New Jersey (by request), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The letters presented by Mr. SMITH of New Jersey are as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington, D. C., February 21, 1957.

The Honorable SECRETARY OF DEFENSE.

(Attention: Mr. Frank J. Sherlock.)

My DEAR MR. SECRETARY: This is in reference to a proposal in your 1957 legislative program entitled "To amend the Fair Labor Standards Act of 1938, as amended."

We are informed that the Senate Committee on Labor and Public Welfare plans to hold hearings beginning February 25, 1957, on coverage of the Fair Labor Standards Act and that these hearings will provide an opportunity for the committee to consider this subject. In view of this fact and in light of the agreement by all agencies concerned that exemption of foreign bases from application of the act are desirable, the Bureau of the Budget would have no objection to the presentation of the subject proposal in its present form. In this form the bill will provide a basis for the consideration by the Congress of the issues presented by the bill. It also will provide a means of affording the Department of Defense and other affected agencies an opportunity to present their views. The qualified nature of this clearance should be specifically called to the attention of the committee.

During the course of the forthcoming hearings, it is understood that the following major points will be brought out as agreed at a meeting on the proposal which was held with representatives of your Department and other interested agencies on February 21, 1957.

1. The opposition of the Labor Department to (a) inclusion of Guam and Wake Island, (b) the proposed bar against liability for past violations of the Fair Labor Standards Act, and (c) authorization of mandatory notice to interested parties, with opportunity for hearing, before the Secretary takes action on industry committee findings and recommendations.

2. The opposition of the Panama Canal Company and government to inclusion of the Canal Zone in the bill.

3. The State Department's concern with the foreign policy aspects of the bill, especially in relation to Guam.

Sincerely yours,

ROGER W. JONES,
Assistant Director for Legislative
Reference.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D. C., February 23, 1957.
The PRESIDENT OF THE SENATE,
United States Senate,
Washington, D. C.

My DEAR MR. PRESIDENT: There is forwarded herewith a draft of proposed legislation "to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1957, and it has been submitted to the Bureau of the Budget for advice as to its relationship to the program of the President. The Bureau of the Budget has advised that it has no objection to the submission of this proposal to the Congress, subject to certain comments as indicated in the enclosed copy of a letter from the Bureau of the Budget.

The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

This proposal would amend the Fair Labor Standards Act of 1938 (29 U. S. C. 201) to provide for restricted application of the principal provisions of that act on Guam, Wake Island, the Canal Zone and in any area within foreign countries that is under the jurisdiction of the United States. As to Guam, the Canal Zone and Wake Island, the proposal provides for establishment of a minimum wage by the Secretary of Labor upon the recommendations of an industry committee appointed by him as is done now for Puerto Rico, the Virgin Islands and American Samoa, except that the industry committee recommendations are made subject to review and approval by the Secretary of Labor. In addition, the Secretary of Labor will be required to give interested persons due notice and opportunity to be heard prior to publication of such recommendations in the Federal Register and prior to filing modified or new findings.

With respect to areas other than a State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, the Virgin Islands, outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (67 Stat. 462), American Samoa, Guam, the Canal Zone, and Wake Island, where the United States may have defense bases or other establishments, the proposal expressly provides that the following provisions of the Fair Labor Standards Act do not apply: section 6 (minimum wages), section 7 (maximum hours), section 11 (inspection of records, investigations, and reports), and section 12 (child labor).

The proposal would authorize the Secretary of Labor, after receiving recommendations of the industry committee, to determine the minimum wage rates for Guam, the Canal Zone and Wake Island. In so doing the Secretary may determine the wage appropriate for the geographical area or particular work performed, not in excess of the minimum rate applicable within the continental United States (\$1 per hour) and taking into consideration the fact that the labor standards in those areas are unlike those in the United States.

In addition, the bill provides that section 7 and section 12 of the act shall not apply to those employees for whom the Secretary is authorized to establish minimum wage rates under the new section 6 (a) (4) except where such wage rates are in effect. Where such wage rates are in effect, the Secretary would be authorized to make rules and regulations providing variations and exemptions from any or all of the provisions of sections 7 and 12 if he should find, after a public hearing on

the matter, that economic conditions warrant such action.

The proposal also provides that no employer shall be subject to any liability under the Fair Labor Standards Act or the Portal-to-Portal Act for work performed in foreign countries or in areas under jurisdiction of the United States other than those named in the act. Similarly, employers would not be liable under such acts for work performed in Guam, the Canal Zone or Wake Island prior to the effective date of a minimum wage fixed by the Secretary of Labor. Thus it may be seen that the proposal generally would apply to Guam, the Canal Zone and Wake Island the same provisions of law presently made applicable to American Samoa by the Act of August 8, 1956 (70 Stat. 1118) and additionally it would exempt the application of section 12 (Child Labor). A final provision of the proposal would amend section 17 of the basic act to add the District Court of Guam to those forums having jurisdiction to restrain violations of the act.

The Fair Labor Standards Act covers employees engaged in commerce or the production of goods for commerce. The geographic coverage of the act turns upon the definition of "State" as "any State of the United States or the District of Columbia or any territory or possession of the United States." As a result of this broad definition the act may be interpreted as applicable not only to employees in the United States and its Territories but also to employees upon any United States base anywhere in the world. This broad interpretation of coverage is supported by the decision of the Supreme Court of the United States in *Vermilya-Brown Co., Inc., v. Connell* (335 U. S. 377 (1948)). This case held that the Fair Labor Standards Act, if otherwise applicable, covered employees of United States contractors engaged in construction of a military base for the United States on land in Bermuda acquired from Great Britain under the Destroyer-Lease Agreement. The Court held that the "facts indicate an intention on the part of Congress in its use of the word 'possession' to have the act apply to employer-employee relationships on foreign territory under lease for bases."

The full effect of the *Vermilya-Brown* decision was not immediately felt by the Department of Defense because the Department was not, in 1948, engaged in a mobilization effort which involved extensive overseas construction in areas covered by this decision. However, the expansion of military operations at home and abroad since the Korean incident has precipitated serious problems relating to the applicability of the Fair Labor Standards Act to the various overseas possessions.

The Fair Labor Standards Act imposes a minimum wage of \$1 per hour and requires overtime compensation at time and one-half for all hours worked beyond 40 in a workweek be paid to all employees covered by the act. On bases or establishments in foreign areas where the act may presently be held applicable and where native workers are utilized, labor standards for areas contiguous to the base or establishment are under the jurisdiction of foreign governments and are established at levels consistent with the prevailing local economy. Applying the conditions of the Fair Labor Standards Act to work performed within the base or establishment would require, in most instances, wage payments on the part of contractors performing work for the Department of Defense to be made at much higher wage scales than those generally prevailing in the area. Such wage payments would obviously distort the local economy, and in some instances objections have been received from foreign governments. In addition, such payments would result in higher costs to the United States.

The principal problem now arises upon Guam, where Department of Defense contractors have been engaged in a major expansion program for improving defense facilities. There have not been sufficient local resident workers to accomplish this program. The remoteness of the island, its climate, and the more favorable economic conditions in the United States have prevented the attraction of sufficient United States workers, particularly in the laboring and semiskilled classifications. As a consequence, a large number of the required workers were recruited under contract from the Philippines. These workers had to be taught new skills and techniques, and their usefulness and productivity suffered from inability to understand English. They have been paid hourly wages and have been provided with lodging, board, and medical care. The compensation and the conditions of employment had the approval of the Philippine Government. The total of such compensation and benefits has been commensurate with their productive efficiency. Although for the less skilled workers the total compensation and benefits have not amounted to the \$1 minimum prescribed by the Fair Labor Standards Act, the compensation has been substantial and has been much greater than they would have earned in the Philippines.

The Department of Defense believes that the employment of native workers in foreign areas as well as employment of Filipinos on Guam has been advantageous to the workers and to their countries. The program has been administered fairly, without exploitation, to produce substantial savings for the United States and to promote good international relations. To remove any technical doubt as to the legality of this employment the Department of Defense proposes the exemption from the Fair Labor Standards Act as set forth in the attached draft of legislation. The Department of Defense needs this legislation in order to insure against retroactive liability as to defense contracts in overseas areas and to be able to negotiate future contracts for essential labor unhampered by the existing doubt and uncertainty.

LEGISLATIVE REFERENCES

This proposal was submitted to the 83d Congress in a slightly modified form as part of the Department of Defense legislative program for 1954 and was introduced in the form of H. R. 10181 and S. 3831. No further action was taken on the bills by the 83d Congress. The proposal was submitted to the 84th Congress as a part of the Department of Defense legislative program for 1955 and also for 1956. In the 84th Congress, the proposal emerged as H. R. 11799 and S. 2404. The House Committee on Education and Labor, after extensive hearings, favorably reported H. R. 11799, however, neither of the bills were considered for passage. S. 3956, a bill extending the provisions of the present proposal only to American Samoa, was enacted as Public Law 1023, 84th Congress (70 Stat. 1118). The present proposal is essentially the same as H. R. 11799.

COST AND BUDGET DATA

The United States Government has agreed to indemnify its contractors in the event it is determined in the future that contracts on bases in foreign countries should have been performed under the provisions of the Fair Labor Standards Act. This means that at any time in the future the United States may be faced with the payment of many millions of dollars in retroactive liability, not to mention the increased costs of building and maintaining overseas bases. In the area of retroactive liability, official estimates place the figure at a possible \$225 million. This estimate does not cover the cost involved in searching the employment records of thousands of employees nor does it cover the statutory provision for liquidated damages and attorney fees. As to increased fu-

ture costs to the Government, official estimates indicate a possible increase of \$415 million over the next 2 fiscal years, and the figure does not reflect increased costs involved in maintaining the skill differential in wages, or the additional records that would have to be kept.

This proposal would provide relief for the United States Government from a potential outlay of \$640 million in direct costs alone, plus an incalculable amount in indirect costs.

Sincerely yours,

C. S. THOMAS,
Secretary of the Navy.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO DEDUCTION OF CERTAIN TRANSPORTATION EXPENSES

MR. KUCHEL. Mr. President, some of the provisions of the Federal tax laws relating to deductible expenses produce unfairness. They are antiquated. Increasing numbers of Americans are penalized because of the failure of Congress to correct flaws in the Federal revenue system. One glaring instance of inequitable treatment to some taxpayers has prompted me to prepare the bill I now introduce for appropriate reference. I suggest it is worthy of incorporation in this year's tax legislation.

I propose that all persons—not merely a favored few—be permitted to treat as a necessary expense at least a part of their out-of-pocket costs of travel to and from their jobs. The tax law now permits some people this right. Why should it be denied to others?

I propose to amend the Internal Revenue Code of 1954 so as to allow an individual to deduct expenses, not in excess of \$100, incurred by him in each taxable year, for transportation to and from his place of abode and his place of business or employment.

For the salaried or wage-earning person, this allowance for a car or public transportation would generally correspond to the automobile expense already allowed as a deduction for sales people and some professional groups using their cars in regular business. Salaried wage-earners are entitled to the same treatment when income tax time arrives.

There can be no question as to the equity of this proposal. It represents a forward, step toward modernizing our Federal tax laws so as to take into account the plain fact that the average citizen today has unavoidable travel expenses in earning his bread.

The growth of urban areas, the movement of industries to new locations, the dependence of our people upon transportation systems and automobiles to reach their work, all are relatively recent developments in our way of life.

Few Americans nowadays live close to their offices, their stores, or their plants. They do not walk to and from their place of employment. In my State of California, many people drive as much as 50 or more miles a day just to get to their place of work and return home. This is graphically portrayed in southern California, where the great aircraft industry employs thousands of persons who live in scores of scattered communities.

In the budget of the average family, a fixed amount, sometimes a substantial amount of its annual income, is earmarked for transportation between the home and the place of employment. With bus and street car fares in most metropolitan centers now at a minimum of 15 cents a ride, and more, the office worker, the store clerk, the machine tool operator, and the truck driver who use public transportation must have an additional overhead cost, in travel, for which they receive no reimbursement.

If an employee drives his automobile to and from work he cannot deduct any of the money he pays for gasoline and oil, not to speak of the outlay for repairs and tires. Paradoxically, the man next door who may sell insurance or adding machines or some other article, and who uses his automobile daily in the course of his activities, is entitled by law to deduct from his taxable income a business expense item which covers such costs. This manifest unfairness ought to be remedied. I hope my proposed amendment of the law may be approved by the Congress.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1506) to amend the Internal Revenue Code of 1954 so as to allow an individual to deduct the expenses, not in excess of \$100, paid by him in each taxable year for transportation to and from his place of abode and his place of business or employment, introduced by Mr. KUCHEL, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF COMMODITY EXCHANGE ACT, RELATING TO PROHIBITION OF TRADING IN ONION FUTURES

MR. POTTER. Mr. President, I introduce, for appropriate reference, a bill to amend the Commodity Exchange Act to prohibit trading in onion futures.

The onion growers not only in the State of Michigan but in other States as well are in great distress as a result of futures trading in their product. I am cognizant of the fact futures trading in storable, nonperishable commodities has certain advantages. By no stretch of the imagination, however, is this true of perishable commodities such as onions. A small group of speculators and manipulators by means of futures trading are able, to the detriment of the onion growers, to reap huge profits for themselves at no benefit to the consumers.

We should not hesitate to enact legislation affording protection to our onion growers from wild speculation and manipulation which is so demoralizing and has such a depressing effect upon the price of their commodity.

The onion industry has never cost the taxpayer a nickel in the way of subsidies or supports. The growers are not asking for preferential treatment when they seek legislation to prohibit futures trading in their product. They want only to grow and sell their produce in an orderly market.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1514) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, introduced by Mr. POTTER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

DISPOSAL OF CERTAIN FEDERALLY OWNED PROPERTY

Mr. REVERCOMB. Mr. President, I introduce, for appropriate reference, a bill to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways, and for other purposes."

The proposed amendment is designed to bring about a repair of a lock and a dam on the Little Kanawha River in West Virginia. It has fallen into disrepair to such an extent that great damage has been done in that productive and fertile valley.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1520) to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways, and for other purposes," introduced by Mr. REVERCOMB, was received, read twice by its title, and referred to the Committee on Public Works.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF PLIMOTH PLANTATION, INC.

Mr. SALTONSTALL. Mr. President, I introduce, for appropriate reference, a bill to authorize the coinage of a 50-cent piece in commemoration of Plimoth Plantation, Inc.

Plimoth Plantation, Inc., is a group of public-spirited citizens of Plymouth and other parts of Massachusetts who are interested in the preservation of Plymouth because of the very great importance of the community to the history and culture of our Nation. In connection with the restoration of the Plymouth Colony which has been underway for some years, the *Mayflower II*, an exact replica of the vessel which brought the Pilgrims to the new land 337 years ago, will cross the Atlantic from Plymouth, England, to Plymouth, Mass., and is scheduled to begin its voyage in late April of this year.

Elaborate preparations are being made in Plymouth for the arrival of the *Mayflower II* in May.

A tract of land of 100 acres in Plymouth has been selected as the site for the reconstruction of the Pilgrim Village, and the *Mayflower II* will be moored there.

I ask unanimous consent that an article from a special supplement published by the Old Colony Memorial, the weekly newspaper in Plymouth, Mass., be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately

referred; and, without objection, the article will be printed in the RECORD.

The bill (S. 1523) to authorize the coinage of 50-cent pieces in commemoration of Plimoth Plantation, Inc., introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The article presented by Mr. SALTONSTALL is as follows:

NEW "MAYFLOWER" VOYAGE TO CATCH EYE OF WORLD—GALA WELCOME PLANNED FOR ARRIVAL IN PLYMOUTH EARLY IN MAY 1957

The *Mayflower* is coming back to Plymouth.

Three hundred and thirty-seven years after the first crossing—one of the most memorable of all time—a new ship just like the old will make a journey to the same port and into the hearts of a nation.

Instead of being an "outcast" it will be sped on its way by whistles and shouts of an admiring populace.

And instead of arriving in a desolate, barren land in the dead of winter it will be met by great throngs of well-wishers and will receive a royal welcome.

That "glimpse into history" will be the big story of 1957. Events are proceeding swiftly on this side of the ocean to give it the setting it deserves.

The voyage of *Mayflower II*—a replica of the staunch Pilgrim ship of "180 tons burden" as it was described in the register—is scheduled to start late in April. It will follow the original route, from Plymouth, England, to Plymouth, Mass.

HANDS ACROSS THE SEA

Here it will be given a permanent home as a good will gift from the people of Great Britain to the people of the United States.

That ship is destined to become a part of a famous shrine of early America, for around it will rise a living Pilgrim Village which will recapture the spirit of those first years.

In the lee of the *Mayflower*, just as it was three centuries ago, men and boys will work in the saw pit, at the grist mill, in the gardens, at the brick kiln, carrying on with the crude tools of that time; while women and girls will spin, weave, churn, dip candles, and make pottery in the way of busy Pilgrim housewives.

Sheep and goats will graze on land as other sheep and goats once grazed long ago.

It will cost more than a million dollars to provide the proper background for this ambitious undertaking.

A tract of land along the Eel River, closely resembling the place where the Pilgrims first settled, has been deeded by the late Mrs. Henry Hornblower, to Plymouth Plantation, Inc., a nonprofit group dedicated to the preservation of the magnificent Pilgrim heritage.

IDEAL SHOWPLACE

On this site, 2 miles south of Plymouth Rock, at a spot which will provide fine natural protection and an ideal showplace for the *Mayflower II*, will be built the Plymouth of 1627 (chosen because that was the year of the first "census").

Everything will be as it was then.

First Street, with its 19 thatched dwellings, laid out as they were in the beginning;

The Fort-Meeting House, the town's place of assembly and defense;

An Indian trading post, like that in which the Pilgrims bartered for furs;

A grist mill, where grain and corn were ground;

An Indian Village, circled with bark huts;

An archeological museum which will house the many priceless relics that have been gathered and to which will be attached a research laboratory;

And, finally, a permanent berth for the *Mayflower*.

The *Mayflower* journey will be one of the most closely followed adventures of the decade. It will have the glamor of a universally known episode in history come to life, plus the warmth of a new expression of kinship between two closely welded nations.

TWO HUNDRED AND FIFTY THOUSAND CONTRIBUTIONS

For the new *Mayflower* will be more than a collection of curved timbers and unfurled sails patterned to the dimensions of a departed craft. It will be a symbol of good will that comes from the heart. It is being built from the freely given contributions (averaging 2 shillings each) of a quarter of a million English people.

There will be special pride for the legion of givers who thus share personally in an important moment in history, as well as for the average American who can understand the nature of friendliness.

It will give a warming lift to the Pilgrim Village shrine that may make it one of the favorite tourist attractions of the future. Some day it may rival the Statue of Liberty as a mecca for sightseers from all over the world. The analogy is apt, for Miss Liberty was also a gift from the people of one nation to the people of another.

The two Pilgrim projects at opposite ends of the Atlantic are in true harmony. The Yankee group made available the services of William A. Baker, of Hingham, famed marine architect and authority on 17th century ships, to Project Mayflower, Ltd., to supervise construction of the vessel in England. And Warwick Charlton, of London, director of that project, has visited Plymouth, Mass., and the spot where the *Mayflower II* will be moored.

"It is a natural setting," Mr. Charlton told his hosts at a Plymouth dinner in his honor. "It could not have been better. If we had such a place in England it would attract thousands and thousands of people."

At Upland's Yard, in the small fishing village of Brixham, Devon, England, the work of fitting out is progressing swiftly on the *Mayflower*. The ship launching was carried through without a hitch September 22, despite a driving downpour.

Here in Plymouth, Mass., detailed planning is going ahead on Pilgrim Village under the supervision of Charles R. Strickland, Plantation architect.

Everything is being done to give the homes that will go up along the new First Street true authenticity, in construction and interior. Oak beams will be hewn from native trees. Some of the ancient timbers in the corner posts and joints will be held together by trunnels or treenails (hand-wrought wooden pegs).

The homes will have the vertical planked sidings, thatched roofs, and sheepskin parchment windows typical of the abodes of that day.

They will be supplied with furniture of the type the Pilgrims used, such as trestle tables, benches, trundle beds, sea chests, and trunks hollowed from trees and covered with animal skins.

Plymouth's First House, Fort-Meeting House, and 1627 House, which have been visited by 2½ million persons since they were opened in 1949, 1953, and 1955, respectively, will be moved to the new site.

Among the first dwellings to be restored will be those in which such familiar figures as Governor Bradford, Elder Brewster, Edward Winslow, Myles Standish, John Alden, John Howland, and Dr. Samuel Fuller lived. Each will be marked with the name of the family that once gave it purpose and industry.

The descendants of these families—and others of the original 19—now populate every State of the Union. Some have gone far afield. But all will be brought closer to-

gether by this new project for they are contributing to the cost of bringing back "their" homes.

LAURANCE F. SAFFORD

MR. SALTONSTALL. Mr. President, I introduce, for appropriate reference, a bill for the relief of Laurance F. Safford, United States Navy, retired. It is not my usual policy to take the time of the Senate with remarks upon the introduction of a private bill. However, in this instance I believe that the circumstances warrant a brief statement. This bill which I am introducing involves not only the relief of an individual, but it involves the pronouncement of a policy vital to our national defense.

Between 1936 and the time of his retirement in 1953, Captain Safford was responsible for the invention of more than 20 cryptographic systems and apparatus, all of which were kept in secrecy status by the United States Navy. Captain Safford devoted his life to providing the Navy with adequate and secure cryptographic equipment. He was responsible for remarkable gains in this field. He was the one man more than any other who was responsible for rendering our codes safe from analysis by the enemy during World War II. I understand that he is one of the world's leading authorities on cryptographic matters.

Safford's contributions to national security have been cited many times. In 1946, as Secretary of the Navy James Forrestal conferred upon Captain Safford the Legion of Merit, he referred to him as "the driving force behind the development of the perfected general cipher and call-sign cipher machines which today give the United States Navy the finest system of encipherment in the world" and as having "contributed essentially to the successful prosecution of the war."

In the words of a highly respected member of the legal profession who was for some time closely associated with Safford, "I feel that Captain Safford is entitled to the almost unreserved appreciation of the Nation for what he did."

This bill is consistent with established precedent in this very same field. Last year Congress by Private Law 625 awarded \$100,000 to Col. William Friedman under very similar circumstances. Indeed, there is a long history of congressional recognition of this sort for individuals contributing to this particular art. In 1935 Capt. Russell Wilson, United States Navy, and in 1937, Comdr. William Gresham, United States Navy, were awarded compensatory sums by act of Congress.

The substance of the Safford bill was summed up in the report of the Department of the Army in the case of Colonel Friedman:

Where the fruit of an inventor's labor has been of substantial benefit to his Government and his right to seek reward for his efforts is impaired for so great a period of time for security reasons, it is equitable that he be compensated for his loss. This view is in accord with the policy of the Department of encouraging technological advancement. To deny an inventor the right to seek gain from his inventions merely because they are vital to our national defense and the

security of the Government, while permitting such pursuit by inventors in other fields where security interests are not paramount, would be discriminatory and would discourage advancement in matters vital to our national defense.

I know we are all concerned with retaining skilled, trained personnel in the military service. One of the most effective ways to do this is to demonstrate to them that military service does not mean a complete sacrifice of reward for unusual and extraordinary achievements above and beyond the duties expected of them. It certainly has been our policy by the establishment of proper incentives to encourage the employment and retention of Government scientists and engineers and to give them the incentive to invent. Material gain is certainly a very important aspect of this.

It is in this spirit and with this motive that I introduce this bill for appropriate reference.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1524) for the relief of Laurance F. Safford, introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on the Judiciary.

CONVEYANCE OF CERTAIN REAL PROPERTY TO KLAMATH COUNTY, OREG.

MR. NEUBERGER. Mr. President, on behalf of myself, and my distinguished colleague, the senior Senator from Oregon [Mr. MORSE], I introduce a bill to provide for the conveyance of certain real property of the United States to Klamath County, Oreg.

The following statement from the Klamath County Court, at Klamath Falls, Oreg., explains the need for the proposed legislation:

This is the land upon which the Klamath experimental area is located. It is a co-operative project between Oregon State College and Klamath County. The property has been occupied under contract No. 18r-882 with the Bureau of Reclamation since 1939. This is a yearly renewable contract to run until 1963. At the time of the lease initiation, this soil was placed in class V by the Bureau of Reclamation as it was considered unfit for agricultural purposes. At that time similar land could be acquired for \$30 per acre. The early program of the station was to determine what, if anything, could be done to recover such land for agriculture. A January 2, 1957, appraisal of the local realty board is as follows: 49.29 acres of class 2 at \$300, \$14,787; 7.68 acres of class 3 at \$125, \$960; 26.24 acres of class 4 at \$75, \$1,968.

This gives you some idea of the improved soil situation.

During the past 18 years Klamath County has done extensive developmental work on this property. Buildings valued in excess of \$75,000 have been constructed. Extensive land leveling and soil improvement work has been done. Considerable tree plantings have been made and numerous experimental long term projects have been started.

Klamath County budgeted moneys for the construction of a new laboratory and office building for the 1955-56 fiscal year, but decided not to construct it until title to the land could be acquired. * *

At about the same time, the newly established jet interceptor base has become interested in acquiring this property as it lies immediately west of the base and is separated from it by a railroad and county road rights-of-way.

It should be noted, Mr. President, that a bill quite similar to this one was introduced last year. Upon the introduction of that bill, the Bureau of Reclamation proceeded in the area with a surplus-property declaration to expedite the conveyance of this property to Klamath County. The bill, however, received no legislative action last year; and the property was immediately directed into regular surplus-property-disposal channels. The Klamath County Court thus describes subsequent events:

Suddenly we became aware that various schools and health agencies were being ceded to their needs for this property by the General Services Administration. The air base picked it up and made an application for it. Since that time we have been engaged in three-way talks with the GSA and the Western Air Command at Hamilton Field in an effort to establish our just claim to the property. The enclosed copy of a letter from this court to Col. Samuel Grashio written on September 28, 1956, will outline our position on this problem.

Recent talks with Mr. Gifford, Surplus Property Coordinator in San Francisco, and Colonel Richardson, at Hamilton Field, led us to believe that our claim on this property had been recognized. More recently, however, a number of representatives of the United States Army Corps of Engineers have appeared here to appraise the land with the view of making the transfer to the Air Force. There is nothing to indicate that Klamath County will be reimbursed for its investment.

Mr. President, Representative AL ULLMAN, of Oregon, in whose district the land affected is located, has introduced a companion bill, H. R. 5036, in the House.

I ask that my bill be referred to the appropriate committee. I also ask unanimous consent to have included in the RECORD a copy of a letter from the Klamath County court to Col. Samuel C. Grashio, commander, 408th Fighter Group, Klamath Falls, Oreg.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1529) to provide for the conveyance of certain real property of the United States to Klamath County, Oreg., introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. NEUBERGER is as follows:

SEPTEMBER 28, 1956.

Col. SAMUEL C. GRASHIO,
Commander, 408 Fighter Group, Klamath Falls Municipal Airport, Klamath Falls, Oreg.

DEAR COLONEL GRASHIO: The county of Klamath, Oreg., and the State of Oregon, acting by and through the board of higher education, are now in possession of a parcel of land encompassing approximately 85 acres. This land is immediately west of the airbase, southeast of Klamath Falls. The General Services Administration, on behalf

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 15, 1957
For actions of July 12 and 13, 1957
85th-1st, Nos. 122 & 123

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HIGHLIGHTS: Senate subcommittee ordered reported bills to: provide against dissemination of livestock and poultry diseases, prohibit onion futures trading, relieve persons of expense for kaphra beetle eradication, require use of humane slaughter methods, permit charges for grain standards inspection appeals, provide regulations and procedures for farmer-elected committee system, and protect public from communicable poultry diseases. Sen. Thye criticized butterfat imports from New Zealand.

SENATE - July 12

1. **LIVESTOCK; POULTRY; GRAIN; COMMITTEES; COMMODITIES; INSECT CONTROL; HUMANE SLAUGHTER.** The Agricultural Research and General Legislation Subcommittee ordered reported to the Agriculture and Forestry Committee the following bills (p. D645):

Without amendment:

S. 1628, to provide further protection against the dissemination of diseases of livestock or poultry;

S. 1756, to protect the public against communicable poultry diseases through the imposition of quarantines;

S. 2007, to permit this Department to charge fees for certain appeals of inspections under the Grain Standards Act;

S. 1436, to regulate the procedures under which the Soil Conservation and Domestic Allotment Act would be administered by democratically elected farmer committeemen; and

S. 778 and S. 1514, to amend the Commodity Exchange Act to prohibit trading in onion futures;

With amendment:

S. 1805, to relieve certain persons of expenses connected with past eradication of the kaphra beetle; and

S. 1497, to require humane methods in the slaughter of livestock and poultry.

2. APPROPRIATIONS. The Appropriations Committee reported with amendments H.R. 3090, the public works appropriation bill for 1958 (S. Rept. 609). p. 10312
3. FARM INCOME. Sen. O'Mahoney inserted an article on the decline of farm income in the Missouri Basin. p. 10326
4. DAIRY PRODUCTS; FOREIGN TRADE. Sen. Thye urged that imports of butterfat from New Zealand be stopped to prevent injury to American farmers. pp. 10334-5
5. PERSONNEL. Sens. Symington, Goldwater, Javits, and Stennis discussed the Cordiner report on professional and technical compensation in the Armed Services. pp. 10314-16
Sen. Green inserted correspondence with the Civil Service Commission concerning a political parties alleged advance information of Civil Service opening examinations. pp. 10321-2
6. FISCAL POLICY. Sen. Carlson inserted the statement of Sen. Byrd concluding the testimony of Treasury Secretary Humphrey before the Finance Committee, on inflation and interest rates. pp. 10371-2
7. ELECTRIFICATION. S. 2406, to authorize construction of improvement works on the Niagara River, remained the Senate's pending business. p. 10337

SENATE - July 13

8. CORN; RESEARCH. Sen. Curtis inserted two articles on the development of a species of corn 82% amylos starch, used in plastics. pp. 10446-7
9. BUDGET. Sen. Clark inserted a column alleging that the President had wavered about his own budget in agreeing that it might be cut. p. 10420
10. ATOMIC ENERGY. Sen. Wiley urged the development of financial protection against peacetime nuclear hazards, and inserted an article "Comment on the Atomic Industrial Forum Report on Financial Protection Against Atomic Hazards." pp. 10442-6
11. RECESSED until Mon., July 15. p. 10482

HOUSE - July 12

12. BUDGETING; EXPENDITURES. Reps. Cannon, Taber, and others discussed the Budget Bureau letter to the Federal agencies instructing them, according to Rep. Cannon, to keep 1953 expenditures "at or below the level for the fiscal year 1957." pp. 10385, 10386-87
13. NATIONAL DEFENSE. Received the quarterly report on borrowing authority from the Office of Defense Mobilization. p. 10413
14. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Consent Calendar will be called Mon., July 15, to be followed by consideration, under suspension on the rules, of S. 1747, the poultry inspection bill, and H.R. 7576, to amend the Federal Civil Defense Act. After disposal of these measures S. 2130, the mutual security authorization bill, will be taken up. p. 10396
15. ADJOURNED until Mon., July 15. p. 10413

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate committee reported bill to transfer certain work under Packers and Stockyards Act to FTC. House subcommittee ordered reported bill to prohibit futures trading in onions. House and Senate committees ordered pay raise bills reported. Sen. Neuberger criticized method FS used to announce change in area timber sales restrictions.

SENATE

1. LIVESTOCK. The Judiciary Committee reported with amendment S. 1356, to transfer jurisdiction over monopolistic acts or practices in restraining of trade by persons engaged in commerce in meat products to the Federal Trade Commission (no written report). p. 10883
2. FORESTRY. Sen. Neuberger criticized the method in which the change in Forest Service rules toward area limitations on sales was announced and urged that notice of such changes be made in advance of promulgation and that these changes be summarized clearly. pp. 10908-9
Sen. Morse inserted a report from the Comptroller General on the paperwork of the Forest Service and Interior's Bureau of Land Management and stated, "The Comptroller General finds that the paper work now carried on is necessary to protect the Government interest... These agencies have kept their paperwork to the bare minimum." pp. 10904-5
3. PERSONNEL. The Post Office and Civil Service Committee ordered reported the following bills:
Without amendment, S. 1901, to authorize overtime pay for irregular work hours;

Without amendment, S. 1411, to require hearings before suspending employees on security charges;

With amendment, S. 734, to revise the basic compensation schedules of the Classification Act of 1949;

With amendment, S. 1903, authorizing travel expenses for leave for overseas employees; and

With amendment, S. 2127, to reduce the insurance available to employees over 65. pp. D667-8

4. CENSUS. The Post Office and Civil Service Committee ordered ^{reported} with amendment, S. 1631, to amend generally the census laws. pp. D667-8
5. TOBACCO. Sens. Cooper and Neuberger discussed the latter's proposal to remove tobacco from the price support program. pp. 10903-4
6. ELECTRIFICATION; RECLAMATION. Received from the Interior Department a report on the Greater Wenatchee Division, Chief Joseph Dam project, dated June, 1956. p. 10882
7. ROADS. Sen. Neuberger urged passage of the anti-billboard bill, and inserted an editorial criticizing the failure to enact it. p. 10890
8. FISCAL POLICIES. Sens. Bennett, Long, and Martin, Pa., discussed Federal monetary and fiscal policies and the current Finance Committee investigation. pp. 10935-8

~~HOUSE~~

9. ONIONS. A subcommittee of the Agriculture Committee ordered reported to the full committee H.R. 376, to include onions in the prohibition against dealings in commodity futures under the Commodity Exchange Act. p. D668
10. PERSONNEL. The Post Office and Civil Service Committee ordered reported with amendment H.R. 2462, to increase the basic rates of compensation for Federal classified employees. The "Daily Digest" states as follows: "The bill as amended would increase the salary of about 1 million employees paid under the Classification Act of 1949 and employees of the legislative and judicial branch of the Government by 11 percent with a maximum increase to any one employee of \$1,000. The ceiling of \$16,000 is retained. The cost of the legislation will be approximately \$532 million a year. The committee also adopted an amendment calling upon the Director of the Bureau of the Budget to act insofar as practicable to provide for the absorption of the increased cost within existing appropriations. The effective date of the bill is the first pay period beginning after September 1, 1957." p. D669
11. RECLAMATION. The Rules Committee reported a resolution for consideration of H.R. 2147, to provide for the construction of the San Angelo Federal reclamation project, Tex.. p. D669

ITEMS IN APPENDIX

12. WATER CONSERVATION. Sen. Yarborough inserted an editorial, "Permanent Drought," on the declining ground-water supply in Texas. p. A5772
13. DROUGHT RELIEF. Sen. Kennedy inserted his letter to the Secretary urging him to extend to Mass. farmers emergency credit under Public Law 38. p. A5773

THE AGRICULTURE COMMITTEE ordered reported:
H.R. 376, to include onions in the prohibition against dealings in commodity futures under the Commodity Exchange Act; and

H.R. 9020, with amendment, to transfer certain work under the Packers and Stockyards Act to the Federal Trade Commission. This bill transfers from the Secretary of Agriculture to the Federal Trade Commission jurisdiction over all activities of packers except those directly related to the processing and distribution of livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products or eggs. It places under the Federal Trade Commission jurisdiction over all retail sales, including those commodities listed above. It places under the jurisdiction of the Secretary of Agriculture regulations of all country buying of livestock, including that which is not now subject to such regulation because it takes place off of a major stockyard.

14. FOREIGN TRADE. The Ways and Means Committee reported without amendment H.R. 38, to amend the Tariff Act of 1930 so as to provide for the temporary free importation of casein (H. Rept. 974); and H.R. 7096, with amendment, to exempt istle and Tampico fiber from the Tariff Act of 1930 (H. Rept. 976). p. 12292
15. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported without amendment H.R. 8825, to revise the definition of contract carrier by motor vehicle as set forth in Sec. 203 (a) (15) of the Interstate Commerce Act (H. Rept. 970). p. 12292
16. PERSONNEL. Received from the Budget Bureau a proposed bill to provide a uniform premium-pay system for Federal employees engaged in inspectional services and to authorize a uniform system of fees and charges for such services; to Post Office and Civil Service Committee. p. 12292
Received from CSC a proposed bill to amend the Classification Act of 1949 so as to facilitate proper classification of positions in grades GS-16, GS-17, and GS-18; to Post Office and Civil Service Committee. p. 12292
17. FARM LABOR. Rep. Teague inserted a resolution adopted by the Agriculture Committee favoring the exemption of farm workers engaged in the packing of fruits and vegetables in the field or orchard from the provisions of Secs. 6 and 7 of the Fair Labor Standards Act. p. 12283
18. SMALL BUSINESS. Passed without amendment S. 2504, to extend the Small Business Administration for one year (p. 12266). This bill will now be sent to the President.
19. FORESTRY. Agreed to, and sent to the Senate, the conference report on S. 469, to authorize the U.S. to defray the cost of existing the Klamath Indians to prepare for termination of Federal supervision and to defer sales of tribal property, including timberlands. p. 12251
20. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program: Mon., Aug. 5, the consent calendar; Tues., the private calendar; and later in the week, H.R. 7244, to provide for a self-help meat promotion program, and the pay raise bill if a rule is granted. p. 12268
21. ADJOURNED until Mon., Aug. 5. p. 12292

ITEMS IN APPENDIX

22. ELECTRIFICATION. Sen. Yarborough inserted a Young Democratic Club of Dallas County (Tex.) resolution and stated "it condemns the effort to take the Hells Canyon site out of the realm of public domain..." pp. A6277-8

Rep. Ullman inserted an editorial, "Ike Appoints a Fox to Guard the Chickens," discussing the appointment of Douglas McKay as Chairman of the U.S. section of the International Joint Commission. p. A6289

Rep. Anderson inserted a constituent's letter asking "isn't there anything you can do legally to keep that Hells Canyon Dam project open for further discussion in Congress?" p. A6297

23. FOREIGN TRADE. Rep. King stated that the need for expanding world trade is clearly evident and inserted the testimony of the American Tunabot Ass'n before the House Ways and Means Committee regard proposed Antidumping Act amendments. pp. A6286-8
24. ATOMIC ENERGY. Rep. Price inserted statements of Reps. Durham and Holifield giving background information on the atomic energy authorization bill. pp. A6279-80
25. FARM PROGRAM. Extension of remarks of Rep. Cooley stating that "the Wall Street Journal in a front-page article this morning says flatly that strategists of the Eisenhower administration aim to exploit disunity among farmers in Secretary Benson's maneuvers to lower price supports for farm commodities," and that "Cliff Hope encourages cooperation and unity among farmers," and inserted the magazine article and an article by Mr. Hope. pp. A6284-5
Rep. McGovern criticized the administration's farm program. p. A6288
26. SOIL BANK. Rep. Udall inserted an article describing how another Arizona farmer received a \$204,000 soil bank payment. pp. A6288-9
27. BUDGETING. Rep. Reuss inserted two memorandums prepared by the Citizens Committee for the Hoover Report in support of H.R. 8002, to provide for the stating of appropriation estimates on an accrued expenditure basis. pp. A6293-5, A6299-300
Rep. Boland inserted several editorials favoring H.R. 8002.
28. GRANTS-IN-AID. Rep. Dwyer spoke in favor of the hearings being held to study the relationship between the Federal Government and State and local governments and inserted an analysis of the grant-in-aid programs in N.J.. pp. A6301-2

BILLS INTRODUCED

29. PERSONNEL. S. 2684, by Sen. Johnston, S.C., to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment; to Judiciary Committee.
30. FAMILY FARM. S. Res. 175, by Sen. Monroney, to authorize a study and investigation of operation and preservation of family-size farms; to Agriculture and Forestry Committee.
31. BUILDINGS. H.R. 9066-9099, by various Reps., to prohibit Government agencies to acquire or use the National Grange headquarters site without specific congressional approval; to Public Works Committee. Remarks of Rep. Westland, p. A6282 Remarks of Rep. Scudder. p. A6296
H.R. 9052, by Rep. Dawson, Ill., to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 15 years; to Government Operations Committee.

Digest of CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 9, 1957
For actions of August 8, 1957
85th-1st, No. 142

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HIGHLIGHTS: House received conference report on mutual security authorization bill. House committee reported bill to prohibit trading in onion futures. Senate passed public works appropriation bill. Sen. Carlson urged commodity approach to farm program and domestic parity plan for wheat.

HOUSE

1. FOREIGN AID. Received the conference report on S. 2130, the mutual security authorization bill. The revised bill provides a total authorization of \$3,367,083,000, a reduction of \$250,250,000 below the Senate figure and an increase of \$250,250,000 above the House authorization. It provides \$175 million to be made available from funds appropriated for the mutual security program to finance the export and sale for foreign currencies of surplus agricultural commodities, as compared with the authorization of \$200 million by the Senate and \$150 million by the House. It provides authorization for an appropriation of \$625,000,000 for fiscal 1959 for the Development Loan Fund in addition to the authorization for a current appropriation of \$500,000,000; neither authorization is subject to fiscal year limitation, and both will remain available until expended. (H. Rept. 1042) pp. 12837-38, 12882
2. WHEAT. Conferees were appointed on S. 959, to exempt certain wheat producers from liability where all the wheat crop is fed or used for seed or food on the farm where produced (p. 12866). Senate conferees were appointed Aug. 7.

3. POULTRY INSPECTION. Rep. Hoeven was appointed a conferee in the place of Rep. Andresen on S. 1747, to provide for the compulsory inspection by this Department of poultry and poultry products. p. 12866
4. ONIONS FUTURES. The Agriculture Committee reported with amendment H.R. 376, to prohibit trading in onion futures in commodity exchanges (H. Rept. 1036). p. 12882
5. INFORMATION. Rejected, 115 to 284, the conference report on H.R. 4813, to extend the life of the D.C. Auditorium Commission. pp. 12825, 12829-37
6. DROUGHT RELIEF. Rep. Philbin urged Federal drought relief for New England, and requested that the Soil Conservation Service make available immediately new seeding for its drought-stricken farmers. p. 12875
7. INTEREST RATES; LOANS. Rep. Abernethy charged that farmers and small business-men are being hurt by higher interest rates. pp. 12868-69
8. PERSONNEL. The proposed bill which was recently submitted to Congress by the Civil Service Commission (see Digest 134) removes the present Classification Act limitation on (1) the total number of supergrades and (2) the number of such positions in each grade. It also repeals all special authorizations for supergrades, but leaves existing jobs in their present grades subject to change by the Commission.
9. VOCATIONAL REHABILITATION. The Education and Labor Committee ordered reported with amendment H.R. 8429, to extend the time in which grants may be made to the States for vocational rehabilitation program expansion. p. D755
10. SUPPLEMENTAL APPROPRIATION BILL, 1958. In addition to the items mentioned in Digest 141, this bill (H.R. 9131) includes items for payment of various claims audited claims, and judgments. The Committee included a statement in its report as follows:

Disbursements. "In the absence of action by the Executive Branch, the Committee is using this vehicle to inform the Treasury Department that in the event a report to the contrary is not received, it will consider only estimates for the fiscal year 1959 which contemplate the dispersal of large-scale repetitive payments to the Departments and agencies concerned." (The Committee report also criticizes "interminable delay in, studying and reviewing this subject.")

SENATE

11. HOUSING. Passed with amendments H.R. 4602, to encourage veterans' residential housing construction in rural areas by raising the maximum limits on direct loans. Senate conferees were appointed. House conferees have not been appointed. pp. 12753-8
12. APPROPRIATIONS. Passed with amendments H.R. 8090, public works appropriation bill for 1958. Senate and House conferees were appointed. pp. 12710-27, 12865
13. PERSONNEL. Passed without amendment S. 1411, to allow security hearings of employees not suspended from Federal employment. p. 12768

PROHIBITING FUTURES TRADING IN ONIONS

AUGUST 8, 1957.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture submitted the following

R E P O R T

[To accompany H. R. 376]

The Committee on Agriculture, to whom was referred the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, having considered the same, report favorably thereon with amendment and recommend that the bill do pass.

The amendment is as follows:

Page 1, line 8, strike out the figure "4" and insert the figure "5".

STATEMENT

The purpose of this bill is to amend the Commodity Exchange Act so as to prohibit futures trading in onions on commodity exchanges designated as contract markets under that act. Public Law 174, 84th Congress, approved July 26, 1955, amended the Commodity Exchange Act to prohibit trading in onions futures except on contract markets. As further amended by this bill, the statute will carry both prohibitions.

BACKGROUND

Futures trading in onions is conducted on two markets, the Chicago Mercantile Exchange and the New York Mercantile Exchange. Trading on the Chicago Mercantile Exchange began in September 1942 and on the New York Mercantile in October 1946. Both exchanges conduct futures trading in onions meeting the requirements of the United States standards for northern grown onions, which designation relates to type and not to geographical origin. However, the onions must be grown in the continental United States. Trading is conducted on both exchanges in the Yellow Globe Type onion contract. In addi-

tion, the Chicago Mercantile Exchange has a Sweet Spanish onion contract.

Yellow Globe onions are grown in the late onion-producing States. Most of this production is in nine States: New York, Michigan, Wisconsin, Minnesota, Illinois, Ohio, Indiana, Massachusetts, and Iowa. Over the years late onions have accounted for approximately 75 percent of the total commercial onions in the United States. Yellow Globe onions are harvested in the months of August and September, and a considerable portion of the crop is placed in storage by producers and dealers. Most of the storage onions move into commercial channels from September through March when the early crop in Texas is harvested. Since late onions cannot be stored from one year to the next, the crop must be marketed during the same season.

Futures trading is conducted on the Chicago Mercantile Exchange in 4 delivery months—November, January, February, and March. Trading in the November future begins in the preceding winter prior to the spring planting season. Trading in the March future generally begins in the late summer or early fall and continues throughout the marketing season. Prices therefore are registered on the futures market the year round.

Practically all of the trading in onion futures has been in the Yellow Globe type contract on the Chicago Mercantile Exchange. There has been little trading in the Sweet Spanish type contract. In six of the last 7 years trading in Chicago has been in excess of 99.6 percent of the total. In no season has volume on the New York market exceeded 8.0 percent of the total. In 1955-56 trading at New York increased sharply but still accounted for only 4.6 percent of the total.

COMMITTEE ACTION

For the past several years there has been a growing conviction among onion producers that price variations on the futures market have been adversely affecting the cash price of onions. Violent fluctuations in the futures price of onions have tended to substantiate this position. In 1950 the March future ranged from \$1.28 to \$0.44 on the Chicago Mercantile Exchange during the month of March. In 1951 the range was from \$0.77 to \$2.07. In 1956, the March future ranged from a seasonal high of \$2.75 per 50 pound bag to \$0.84 on March 1, 1956, and a low of \$0.10 on March 15. Price movements of this sort cannot be attributed to supply and demand, and forced the conclusion that speculation, and in some instances manipulation, has been a dominant factor.

Until 1955 the Commodity Exchange Authority had no authority to regulate the trading in onion futures. In 1955, however, this committee reported and Congress enacted a bill placing onion futures trading under CEA authority. This bill was approved by the President on July 26, 1955, and CEA thereupon obtained jurisdiction over trading in onion futures and a limited measure of authority to regulate such trading on commodity markets.

In 1956 as the result of mounting protests from onion growers (and also, at that time, from potato growers) the chairman of this committee designated a special subcommittee under the chairmanship of Hon. George M. Grant of Alabama to conduct hearings into futures trading.

in onions and potatoes. The committee was appointed on October 27, 1955, and conducted hearings that winter and the next spring and summer in Washington and at other points convenient to onion and potato producers.

In September 1956 the committee issued its report saying in substance that the basic economic activity involved is the physical production and distribution of onions and potatoes—not the trading in futures contracts for those commodities, that gyrations of the futures market have at times affected the cash price of onions and potatoes, and that unless futures market can be operated in such a way as to prevent injury to the producers of such commodities, futures trading should be prohibited.

1957 DEVELOPMENTS

Following the issuance of the committee report, some steps were taken by the Chicago Mercantile Exchange to tighten up the regulations relating to the trading in onions futures so as to prevent some of the price fluctuation and other conditions of which producers complained. A period of relative stability in the onion futures market ensued and continued until about February 1, 1957. At that time a "bullish" report of the National Onion Association (which has a membership of growers, shippers, and dealers) climaxed several days of equally bullish rumors and sent the price of March onion futures from \$1.15 on January 8, to \$2.20 per 50-pound sack on February 4. Thereafter, the reaction set in and by February 25, March futures had dropped to \$0.87.

HEARINGS

These gyrations set off a new wave of producer demands for the complete prohibition of trading in onion futures and hearings were set on H. R. 376, the bill reported herewith, and a number of similar bills: H. R. 1933, H. R. 1935, H. R. 3418, H. R. 5236, and H. R. 5732. At the hearing more than 40 witnesses appeared, the number being about equally divided between proponents and opponents of the bills under consideration. The testimony presented at the hearing was of exceptionally high caliber and represented in many instances a substantial amount of research and analysis on the part of the witness.

In addition to the various analyses of the matter presented by individual witnesses, special studies of the relationship between the futures market and the cash price of onions were made at the request of the committee by the Commodity Exchange Authority and the Agricultural Economics Division of the Department of Agriculture. These studies were made a part of the hearing record and together with the testimony presented by other witnesses, comprise probably the most exhaustive analysis of this subject which has been compiled.

In substance, the bulk of these studies appear to indicate:

(1) That while there may not be any effect on long-run or season average cash prices of onion resulting from futures trading, there is little doubt but that variations in price on the futures market do have a direct and pronounced effect over short periods of time on cash onion prices.

(2) In contrast to some other commodities where there is wide use of the futures market for hedging purposes by buyers of such commodities, there is relatively little buyer hedging in onion futures.

(3) That a number of growers do make use of the futures market and the record shows that there have been few, if any, years when the producer could not at some time during the growing season have hedged his production at a satisfactory price. The record is equally clear, however, that relatively few producers have the financial resources to engage in a substantial hedging operation.

(4) In spite of the improvements in the trading environment which have been brought about as the result of CEA jurisdiction and by action of the exchange itself, it seems quite clear that violent fluctuations can still take place on the futures market without any relationship to supply and demand factors and that these price fluctuations can and will have an effect on the cash onion market.

DEPARTMENTAL POSITION

Following is the letter from the Department of Agriculture stating its position on H. R. 376:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 13, 1957.

Hon. HAROLD D. COOLEY,

*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR CONGRESSMAN COOLEY: This is with reference to your request for a report on H. R. 376.

This bill proposes to amend the Commodity Exchange Act so as to prohibit futures trading in onions on commodity exchanges designated as contract markets under the Commodity Exchange Act. The act, as amended effective September 24, 1955, now prohibits onion futures trading except on contract markets. If amended as proposed by H. R. 376, the statute would carry both prohibitions.

Effective with onion futures contracts maturing subsequent to March 1956, contract market regulations designed to improve storage and delivery practices have been adopted. Limits on speculative transactions and commitments in onion futures have been established by the Commodity Exchange Commission and have been in effect since September 1, 1956. And the facilities of the onion futures market are being used to a limited extent by growers and shippers of onions as a means of hedging price risks. By reason of perishability, limited storability, and inelastic demand, onions have a record of extreme price variability which long antedates the advent of futures trading in onions. The prohibition of futures trading in onions could not be expected to eliminate erratic price movements traditional in the marketing of this commodity. Should H. R. 376 receive the approval of the Congress, however, we are of the opinion that its enactment would not significantly affect the marketing or distribution of onions.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

E. T. BENSON, *Secretary.*

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown

as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

COMMODITY EXCHANGE ACT

* * * * *

SEC. 4j. No contract for the sale of onions for future delivery on or subject to the rules of any board of trade in the United States shall be made by or through a member of a board of trade which has been designated under section 5 as a contract market.



85TH CONGRESS
1ST SESSION

Union Calendar No. 415

H. R. 376

[Report No. 1036]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1957

Mrs. PFOST introduced the following bill; which was referred to the Committee on Agriculture

AUGUST 8, 1957

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

- 1 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*
- 2 That the Commodity Exchange Act is amended by inserting
- 3 after section 4i the following new section:
- 4 “SEC. 4j. No contract for the sale of onions for future
- 5 delivery on or subject to the rules of any board of trade in
- 6 the United States shall be made by or through a member of a
- 7 board of trade which has been designated under section 4 5
- 8 as a contract market.”

85TH CONGRESS
1ST SESSION

H. R. 376

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By Mrs. Frost

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Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

1 SEC. 2. This Act shall take effect on the first day of
2 the first month which begins more than thirty days after
3 the date of its enactment.

House of Representatives, 85th Congress, 1st Session

Union Calendar No. 415

85TH CONGRESS
1ST SESSION

H. R. 376

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85TH CONGRESS
1ST SESSION

H. R. 376

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 21, 1957
For actions of August 20, 1957
85th-1st, No. 151

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HIGHLIGHTS: Senate agreed to conference report on bill to exempt from quotas wheat used on farm where produced. House received conference report on supplemental appropriation bill. Senate committee announced it had annulled proposed favorable report on onion futures bill. Senate committee reported bills to sell surplus cotton to U.S. mills, and to provide for greater State participation in disaster relief. Sens. Humphrey and Carroll criticized Secretary for failure to testify on REA loan authority; Sen. Allott defended Secretary.

HOUSE

SUPPLEMENTAL APPROPRIATION BILL FOR 1958. Received the conference report on this bill, H.R. 9131 (H. Rept. 1207) (pp. 14026-30). As reported the bill provides \$4 million for ARS for eradication of screwworms and fireants (instead of \$5 million as proposed by the Senate). The amount of \$3.5 million added by the Senate for poultry inspection was reported in disagreement, but the statement of the House managers says a motion will be offered to concur with the Senate amendment, with an amendment to provide \$1,300,000 instead of \$3.5 million as proposed by the Senate. The item of \$25 million for emergency conservation measures was reported in disagreement. The item to authorize the use of not to exceed \$50,000 of the funds appropriated for forest land management in 1958, for the acquisition of sites for buildings outside the national forests with other limitation, was reported in disagreement.

MILITARY CONSTRUCTION. Agreed to the conference report on H.R. 8240, the military housing construction authorization bill, including a provision for the use of foreign currencies acquired under Public Law 480 for the construction of military family housing units in foreign countries (pp. 14030-34). This bill will now be sent to the President.

3. ATOMIC ENERGY. Agreed to the conference report on H.R. 8996, authorizing appropriations for the AEC to acquire or construct power reactor facilities (pp. 14037-42). The report had been submitted by the conference committee earlier (H. Rept. 1204) (p. 14054).
4. PERSONNEL. The Post Office and Civil Service Committee reported with amendment S. 1411, to give agencies discretion in either suspending or retaining on duty a Federal employee prior to security hearings (H. Rept. 1201). p. 14054
5. STATION TRANSFERS. A subcommittee of the Government Operations Committee ordered reported S. 1408, to provide allowances for transportation of house trailers to civilian employees of the U.S. who are transferred from one official station to another. p. D806
6. RECLAMATION. The Interior and Insular Affairs Committee ordered reported with amendment S. 1996, to approve the contract negotiated with the Casper-Alcova Irrigation District and to provide that the excess-land provision of the Federal reclamation laws shall not apply to the lands of the Kendrick project, Wyo.. p. D807
7. RICE; FISHERIES. A subcommittee of the Merchant Marine and Fisheries Committee ordered reported with amendment S. 1552, to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crop. p. D807

~~SENATE~~

8. WHEAT. Agreed to the conference report on S. 959, to exempt certain wheat producers from liability where all the wheat crop is fed or used for seed or food on the farm where produced (See Digest 149). This bill will now be sent to the President. pp. 13984-5
9. REA LOANS. Sens. Humphrey, Carroll, Morton, Allott, and Aiken discussed the alleged change in REA loan authority, which Sen. Humphrey contended was a violation of the Secretary's promises when the Reorganization Act was adopted, and Sen. Carroll charged was a basic change in policy violating the REA Act. Sen. Allott defended the Secretary. pp. 13998-14005, 14006-8
10. ELECTRIFICATION; RECLAMATION. Passed with an amendment S. 2757, to authorize construction of the Burns Creek Project, Ida.. The amendment, by Sen. Anderson provided that all lands acquired within the exterior boundaries of a national forest and not used by the project shall become national forest lands. pp. 13995, 13997-8
11. WATER RESOURCES. Concurred in the House amendment to S. 2431, granting Congressional consent to the Ore.-Calif. compact on the Klamath River Basin. This bill will now be sent to the President. p. 13992
At the request of Sen. Talmadge, passed over S. Con. Res. 28, to authorize the compilation and printing of materials relating to the development of the water resources of the Columbia River. p. 13947
Both Houses received from the Budget Bureau plans for improvement works on the Bayou Nexpique watershed, La., and the Alamo Arroyo and Diablo Arroyo watershed, Tex.. pp. 13919, 14054
12. ONIONS. The Daily Digest states that the Agriculture and Forestry Committee annulled its proposed favorable report without amendment on S. 778, to prohibit trading in onion futures in commodity exchanges. p. D804

Reserve components: H. R. 7697, providing additional facilities necessary for the administration and training of units of the Reserve components;

Labor standards: H. R. 7458, to amend the Fair Labor Standards Act of 1938 to restrict its application in certain overseas areas;

Social security: H. R. 8892, to extend the time within which a minister may elect coverage as a self-employed individual for social-security purposes;

Naval vessels: H. R. 6952, to authorize the transfer of naval vessels to friendly foreign countries;

Private bills: 16 private bills: H. R. 1558, 1741, 1868, 4854, 8284, H. J. Res. 340, 368, 338, 373, 387, 392, 409, 411, H. Con. Res. 194, H. R. 1678, 2741;

Without amendment and cleared for House:

Yuma project: S. 2037, authorizing performance of necessary protection work between Yuma project and Boulder Dam;

Montana land: S. 1742, conveyance of lands to school district on Huntley reclamation project, Yellowstone County, Mont.;

Private bills: 27 private bills: S. 281, 365, 893, 1545, 1635, 1921, 2043, 2062, 2123, 2124, 2136, 2164, 2172, 2199, 2204, 2210, 2248, 2302, 2309, 2314, 2324, 2328, 2382, 2484, 888, 1835, 655;

With amendment and cleared for House:

Davis Dam: S. 33, providing for allocation of portions of costs of Davis Dam and Reservoir to servicing the Mexican Water Treaty;

Daughters of Confederacy: S. 732, granting an extension of patent to the United Daughters of the Confederacy;

Crow Indians: S. 328, to grant minerals on certain lands in Crow Indian Reservation, Mont., to certain Indians;

Alaska fisheries: S. 2349, to facilitate the conduct of fishing operations in Alaska and to promote the conservation of fishery resources thereof;

Fisheries loan fund: S. 2720, to increase the authorization for the fisheries loan fund established under Fish and Wildlife Act of 1956;

D. C. business: S. 2438, to amend the D. C. Business Corporation Act;

Retarded children: S. 395, to encourage expansion of teaching and research in education of mentally retarded children;

Officers' retirement: S. 1732, to readjust equitably the retirement benefits of certain individuals on the Emergency Officers' Retired List;

WAAC: S. 2305, to define service as a member of the Women's Army Auxiliary Corps as active service under certain conditions;

U. S. S. Enterprise: S. J. Res. 96, to establish the U. S. S. Enterprise in the Nation's Capital as a national shrine;

Veterans' training: S. 166, to extend period for granting educational and training benefits to certain veterans;

Veterans: S. 1698, to extend time for filing claims by veterans for mustering-out payments;

Veterans' hospital: S. 2467, respecting use of sewage facilities of Sturgis, S. Dak., by Fort Meade Veterans' Hospital;

Private bills: 22 private bills: S. 684, 882, 950, 1047, 1322, 1358, 1582, 1634, 2012, 2028, 2046, 2134, 2135, 2182, 2252, 2325, 2566, 262, 947, 1636, 2041, 2323;

Bills indefinitely postponed: S. 1746, 1091, 2722, 2254.

Pages 13947-13992

Indian Hospitals: During call of calendar and on consideration of H. R. 9023, relating to Indian hospitalization payments to Bernalillo County, N. Mex., Senate adopted on reconsideration Williams amendment respecting inclusion in the Fair Labor Standards Act of home workers manufacturing certain decorative wreaths, after the amendment had originally been rejected. Following call of calendar, on further consideration of bill, it was passed as amended.

Pages 13979-13984, 13992

Burns Creek, Idaho: Senate took up following call of calendar S. 2757, authorizing construction and operation of reregulating reservoir at Burns Creek site in Upper Snake River Valley, Idaho, and passed the bill with an amendment by Senator Anderson providing that all lands within exterior boundaries of national forests not needed for actual use for project works shall become national forest lands.

Pages 13995, 13997-13998

Minnesota Land Transfer: Senate took up following call of calendar S. 864, to provide for transfer of certain lands to Minnesota, and after debate thereof, the bill was temporarily put aside for consideration of the conference report.

Page 13998

ICC Rates: Senate took up conference report on S. 939, to amend section 22 of Interstate Commerce Act regarding free or reduced rates on Government traffic, but did not conclude action thereon prior to adjournment.

Pages 13998, 14005-14006, 14021-14024

Government Procurement: Select Committee on Small Business was authorized to file following adjournment of Congress a report on "Small Business Participation in Government Procurement, 1957." Page 14024

Nominations: 9 Army nominations and 1 judicial nomination were received.

Page 14025

Program for Wednesday: Senate adjourned at 7:10 p. m. until noon Wednesday, August 21, when it will continue consideration of conference report on S. 939, ICC rates on Government traffic, and possibly any or all of the following bills: S. 25, effective dates of wage board employee increases; S. 491 and H. R. 4240, private bills; S. 2205, amending Bankruptcy Act; H. R. 4602, veterans' housing (to compose differences between House- and Senate-passed versions of bill); S. 2377, production of reports and statements of witnesses; S. 1356, extend antitrust laws to commerce in meat; and S. 2792, to amend Immigration Act.

Page 14025

Committee Meetings

(Committees not listed did not meet)

ONION FUTURES

Committee on Agriculture and Forestry: On Monday, August 19, the committee ordered favorably reported without amendment S. 778, to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, which action was subsequently annulled.

FOREIGN AID APPROPRIATIONS

Committee on Appropriations: Committee met in executive session for the consideration of H. R. 9302, fiscal 1958 mutual security appropriations bill, following which it announced that it will meet again tomorrow, also in executive session, to receive further testimony on this bill.

D. C. MATTERS

Committee on the District of Columbia: Committee, in executive session, ordered favorably reported the following:

Without amendment—H. R. 7785, to provide for the appointment of one additional judge for the juvenile court of the D. C., and H. R. 8918, relating to exchange of lands for site and construction of Sibley Memorial Hospital in D. C.; and

With amendment—S. 1849, to provide for more effective administration of public assistance for needy in D. C., S. 1764, to authorize payment from appropriated funds of the cost of free school lunches in D. C., and S. 1040, to amend the D. C. Life Insurance Act and the D. C. Fire and Casualty Act.

LEAD AND ZINC, AND NOMINATIONS

Committee on Finance: Committee met in executive session to reconsider its action of August 16 where it adopted an amendment to impose a 3-cents-per-pound import duty on lead and zinc to the bill H. R. 6894, amending the Tariff Act of 1930 relative to unmanufactured mica and mica films and splittings. In lieu of this action, the committee today adopted as an amendment to H. R. 6894 the context of S. 2376, to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc.

Committee ordered favorably reported the nominations of Robert W. Dill, to be collector of customs, and Harry Edwards, to be surveyor of customs, both at customs collection district No. 10 at New York City, James P. Winne, to be collector of customs at customs collection district No. 32 at Honolulu, and W. Rae Dempsey, Jr., to be collector of customs at customs collection district No. 13 at Baltimore.

DISARMAMENT SUBCOMMITTEE EXTENSION

Committee on Foreign Relations: Committee voted unanimously to postpone indefinitely S. 2751, to authorize the President to appoint Col. George Arthur Lincoln as Assistant Secretary of State for Policy Planning and State Department representative on the National Security Council Planning Board. Prior to this action, testimony favoring this bill was received from Robert Murphy, Deputy Under Secretary, and Loftus E. Becker, Legal Adviser, both of the State Department.

The committee, in executive session, ordered favorably reported an original resolution (S. Res. 192) extending until January 31, 1958, the Subcommittee on Disarmament, and providing an additional \$30,000 therefor.

COMMITTEE BUSINESS

Committee on Interior and Insular Affairs: Committee, in executive session, ordered favorably reported the following:

Without amendment—S. 1828, to retrocede to Montana police jurisdiction over Blackfeet Highway; S. 2230, conveyance of certain lands to Charlotte Rudland Dansie Association, Wyoming, for maintenance as a memorial grave site; H. R. 1394, to authorize the sale of certain keys in Florida; and H. R. 8126, to amend section 16 (c) of the Revised Organic Act of the Virgin Islands;

With amendment—S. Res. 148, regarding conservation and development of water resources; S. 77, to establish the Chesapeake and Ohio Canal National Historical Park; S. 479, to convey waterway to Eagle Creek Inter-Community Water Supply Association; and S. 1245, to provide a right-of-way to city of Alamogordo, N. Mex.

VESSELS

Committee on Interstate and Foreign Commerce: Subcommittee on Merchant Marine and Fisheries held hearings on S. 1488, to restrict transfers of vessels to foreign registry, hearing testimony in opposition to the bill from Clarence G. Morse, Federal Maritime Administrator; and Alvin Shapiro, American Merchant Marine Institute, Inc., Washington, D. C.

Hearings continue tomorrow.

COMMITTEE BUSINESS

Committee on the Judiciary: Committee, in executive session, ordered favorably reported the following:

S. 2792, to amend the Immigration and Nationality Act (finalized committee action of August 19); S. 2107, conveyance to Florida of certain tract of land; H. R. 3367, to authorize the use of certified mail in summoning jurors; H. R. 4193, to amend U. S. Code relative to adjusting penalties relating to injurious nonmailable matter; H. J. Res. 253, to establish a commission to com-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued February 26, 1958
For actions of February 25, 1958
85th-2d, No. 29

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HIGHLIGHTS: House debated second supplemental appropriation bill. House committee reported bill to permit soil bank payments to certain producers who exceed corn allotments. House Rules Committee cleared bills to prohibit trading in onion futures, and to develop marketing facilities for perishable commodities. House committee reported bill for Outdoor Recreation Resources Commission. House committee approved pay bills. Sen. Javits urged deferring cut in dairy price supports. Sen. Humphrey claims mismanagement in ASC Committee elections in Minn. Sen. Bricker and Rep. Henderson introduced and discussed bills to exempt certain wheat producers from liability when wheat is fed or used for seed. Rep. Hill introduced and discussed bill to facilitate insurance of farm ownership and soil and water conservation loans.

HOUSE

1. SECOND SUPPLEMENTAL APPROPRIATION BILL. Began debate on this bill, H. R. 10881. pp. 2381-2409

Agreed to the following amendments:

By Rep. Whitten, by a vote of 120 to 57, to provide \$250 million additional instead of \$175 million, for the acreage reserve program for 1958 crops. pp. 2398-2405

By Rep. Laird, as amended by an amendment by Rep. Taber, by a vote of 137 to 17, to provide that no part of the appropriation shall be used to authorize compensation to any one individual or corporate participant in excess of \$3,000. pp. 2405-09

Rejected an amendment by Rep. Reuss (as a substitute for the above amendment by Rep. Laird) to provide that no part of the appropriations shall be used to formulate, administer, or implement an acreage-reserve program which would result in total compensation being paid to any one participant in excess of \$3,000. pp. 2407-09 A point of order by Rep. Taber, which would have stricken out the provision for additional funds for the acreage reserve program for 1958 crops, was overruled. pp. 2397-98

2. ONIONS FUTURES; MARKETING FACILITIES. The Rules Committee reported resolutions for the consideration of H. R. 376, to prohibit trading in onion futures in commodity exchanges ; and H. R. 4504, to encourage the improvement and development of marketing facilities for handling perishable commodities. pp. 2410, 2429

3. CORN. The Agriculture Committee reported without amendment H. R. 10843, to permit soil bank payments to certain producers who exceed their corn acreage allotments (H. Rept. 1382), and H. R. 10316, to exclude Ottawa County, Mich., from the commercial corn-producing area (H. Rept. 1383). p. 2429

4. FOREST RECREATION. The Interior and Insular Affairs Committee reported with amendment S. 846, to establish a National Outdoor Recreation Resources Review Commission to study outdoor recreation resources of public lands (H. Rept. 1386). p. 2429

5. ROADS. The Public Works Committee approved with amendment H. R. 9821, to authorize appropriations for the construction of highways under the Federal Aid Road Act for 1960 and 1961. p. D140

6. PAY RAISES. The Post Office and Civil Service Committee approved with amendment H. R. 9999, to provide pay increases for classified employees. p. D140 The "Daily Digest" states the Committee action as follows:

"Approved legislation increasing salaries of postal employees, Federal employees paid under the schedules of the Classification Act of 1949, certain employees of the judicial branch, employees of the legislative branch, and employees of the Medical Division of the Veterans' Administration..."

"In general, H. R. 9999, concerning salary increases for employees paid under the Classification Act of 1949 and other groups of employees, provides for increases ranging from 10.5 percent (first step GS-4) to 12.5 percent in GS-18, with a \$18,000 ceiling. The increases would be effective August 25, 1957..."

CONSIDERATION OF H. R. 376

FEBRUARY 25, 1958.—Referred to the House Calendar and ordered to be printed

Mr. TRIMBLE, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 484]

The Committee on Rules, having had under consideration House Resolution 484, report the same to the House with the recommendation that the resolution do pass.



PROHIBITING FUTURES TRADING IN ONIONS

FEBRUARY 25, 1958.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

SUPPLEMENTAL REPORT

[To accompany H. R. 376]

The purpose of this supplemental report is to correct an oversight relating to clause 3 of rule XIII of the Rules of the House of Representatives contained in the original report on the bill (Rept. No. 1036).

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

COMMODITY EXCHANGE ACT, AS AMENDED

SEC. 4. It shall be unlawful for any person to deliver for transmission through the mails or in interstate commerce by telegraph, telephone, wireless, or other means of communication any offer to make or execute, or any confirmation of the execution of, or any quotation or report of the price of, any contract of sale of any commodity for future delivery on or subject to the rules of any board of trade in the United States, or for any person to make or execute such contract of sale, which is or may be used for (a) hedging any transaction in interstate commerce in any commodity or the products or byproducts thereof, or (b) determining the price basis of any such transaction in interstate commerce, or (c) delivering any commodity sold, shipped, or received in interstate commerce for the fulfillment thereof, except, in any of the foregoing cases, where such contract is made by or through a member of a board of trade which has been designated by the Secretary of Agriculture as a "contract market,"

as hereinafter provided, and if such contract is evidenced by a record in writing which shows the date, the parties to such contract and their addresses, the property covered and its price, and the terms of delivery: *Provided*, That each board member shall keep such record for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, which record shall at all times be open to the inspection of any representative of the United States Department of Agriculture or the United States Department of Justice.

SEC. 4a. (1) Excessive speculation in any commodity under contracts of sale of such commodity for future delivery made on or subject to the rules of contract markets causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity, is an undue and unnecessary burden on interstate commerce in such commodity. For the purpose of diminishing, eliminating, or preventing such burden, the commission shall, from time to time, after due notice and opportunity for hearing, by order, proclaim and fix such limits on the amount of trading under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the commission finds is necessary to diminish, eliminate, or prevent such burden. Nothing in this section shall be construed to prohibit the commission from fixing different trading limits for different commodities, markets, futures, or delivery months, or different trading limits for buying and selling operations, or different limits for the purposes of subparagraphs (A) and (B) of this section, or from exempting transactions commonly known to the trade as "spreads" or "straddles" or from fixing trading limits applying to such transaction different from trading limits fixed for other transactions.

(2) The commission shall, in such order, fix a reasonable time (not to exceed ten days) after the order's promulgation; after which, and until such order is suspended, modified, or revoked, it shall be unlawful for any person—

(A) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of the contract market or markets to which the order applies, any amount of such commodity during any one business day in excess of any trading limit fixed for one business day by the commission in such order for or with respect to such commodity; or

(B) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market, any amount of such commodity that shall result in giving such person a net long or net short position at any one time in or with respect to any such commodity in excess of any trading limit fixed by the commission for net long or net short position in such order for or with respect to such commodity.

(3) No order issued under paragraph (1) of this section shall apply to transactions which are shown to be bona fide hedging transactions. For the purposes of this paragraph, bona fide hedging transactions shall mean sales of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such sales are offset in quantity by the ownership or purchase of the same cash commodity or, conversely, purchases of any commodity for future delivery

on or subject to the rules of any board of trade to the extent that such purchases are offset by sales of the same cash commodity. There shall be included in the amount of any commodity which may be hedged by any person—

(A) the amount of such commodity such person is raising, or in good faith intends or expects to raise, within the next twelve months, on land (in the United States or its Territories) which such person owns or leases;

(B) an amount of such commodity the sale of which for future delivery would be a reasonable hedge against the products or by-products of such commodity owned or purchased by such person, or the purchase of which for future delivery would be a reasonable hedge against the sale of any product or byproduct of such commodity by such person.

(C) an amount of such commodity the purchase of which for future delivery shall not exceed such person's unfilled anticipated requirements for processing or manufacturing during a specified operating period not in excess of one year: *Provided*, That such purchase is made and liquidated in an orderly manner and in accordance with sound commercial practice in conformity with such regulations as the Secretary of Agriculture may prescribe.

(4) This section shall apply to a person that is registered as a futures commission merchant or as a floor broker under authority of this Act only to the extent that transactions made by such person are made on behalf of or for the account or benefit of such person. This section shall not apply to transactions made by, or on behalf of, or at the direction of, the United States, or a duly authorized agency thereof.

SEC. 4b. It shall be unlawful for any member of a contract market, or for any correspondent, agent, or employee of any member, in or in connection with any order to make, or the making of (1) any contract of sale of any commodity in interstate commerce, or (2) any contract of sale of any commodity for future delivery made, or to be made, on or subject to the rules of any contract market for or on behalf of any person if such contract for future delivery is or may be used for (a) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

(A) to cheat or defraud or attempt to cheat or defraud such person;

(B) willfully to make or cause to be made to such person any false report or statement thereof, or willfully to enter or cause to be entered for such person any false record thereof;

(C) willfully to deceive or attempt to deceive such person by any means whatsoever in regard to any such order or contract or the disposition or execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such person; or

(D) to bucket such order, or to fill such order by offset against the order or orders of any other person, or willfully and knowingly and without the prior consent of such person to become the buyer in respect to any selling order of such person, or become the seller in respect to any buying order of such person.

Nothing in this section or in any other section of this Act shall be construed to prevent a futures commission merchant or floor broker who shall have in hand, simultaneously, buying and selling orders at the market for different principals for a like quantity of cotton for future delivery in the same month, from executing such buying and selling orders at the market price: *Provided*, That any such execution shall take place on the floor of the exchange where such orders are to be executed at public outcry across the ring and shall be duly reported, recorded, and cleared in the same manner as other orders executed on such exchange.

SEC. 4c. It shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction involving any commodity, which is or may be used for (1) hedging any transaction in interstate commerce in such commodity or the products or by-products thereof, or (2) determining the price basis of any such transaction in interstate commerce in such commodity, or (3) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

- (A) if such transaction is, is of the character of, or is commonly known to the trade as, a "wash sale", "cross trade", or "accommodation trade", or is a fictitious sale;
- (B) if such transaction is, is of the character of, or is commonly known to the trade as, a "privilege", "indemnity", "bid", "offer", "put", "call", "advance guaranty", or "decline guaranty", or
- (C) if such transaction is used to cause any price to be reported, registered, or recorded which is not a true and bona fide price.

Nothing in this section shall be construed to prevent the exchange of futures in connection with cash commodity transactions or of futures for cash commodities, or of transfer trades or office trades if made in accordance with board of trade rules applying to such transactions and such rules shall not have been disapproved by the Secretary of Agriculture. Nothing in this section or section 4b shall be construed to impair any State law applicable to any transaction enumerated or described in such sections.

SEC. 4d. It shall be unlawful for any person to engage as futures commission merchant in soliciting orders or accepting orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery, on or subject to the rules of any contract market unless—

- (1) such person shall have registered, under this Act, with the Secretary of Agriculture as such futures commission merchant and such registration shall not have expired nor been suspended nor revoked; and
- (2) such person shall, whether a member or nonmember of a contract market, treat and deal with all money, securities, and property received by such person to margin, guarantee, or secure the trades or contracts of any customer of such person, or accruing to such customer as the result of such trades or contracts, as belonging to such customer. Such money, securities, and property shall be separately accounted for and shall not be commingled with the funds of such commission merchant or be used to margin or guarantee the trades or contracts, or to secure or extend the credit, of any customer or person other than the one for whom the same are held: *Provided, however*, That such money, securities and property of the customers of such futures commis-

sion merchant may, for convenience, be commingled and deposited in the same account or accounts with any bank or trust company or with the clearing house organization of such contract market, and that such share thereof as in the normal course of business shall be necessary to margin, guarantee, secure, transfer, adjust, or settle the contracts or trades of such customers or resulting market positions, with the clearing-house organization of such contract market or with any member of such contract market, may be withdrawn and applied to such purposes, including the payment of commissions, brokerage, interest, taxes, storage and other charges, lawfully accruing in connection with such contracts and trades: *Provided further*, That such money may be invested in obligations of the United States, in general obligations of any State or of any political subdivision thereof, in obligations fully guaranteed as to principal and interest by the United States, and in "investment securities" as defined in and under authority of section 5136 of the Revised Statutes, as amended, and, subject to approval by the Secretary of Agriculture, may be loaned on the security of negotiable warehouse receipts conveying or securing title to readily marketable commodities to the extent of the current loan value of such receipts, such investments and loans to be made in accordance with such rules and regulations and subject to such conditions as the Secretary of Agriculture may prescribe.

SEC. 4e. It shall be unlawful for any person to act as floor broker in executing any orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery on or subject to the rules of any contract market unless such person shall have registered, under this Act, with the Secretary of Agriculture as such floor broker and such registration shall not have expired nor been suspended nor revoked.

SEC. 4f. (1) Any person desiring to register as futures commission merchant or as floor broker hereunder shall be registered upon application to the Secretary of Agriculture, which application shall be made in form and manner to be prescribed by the Secretary of Agriculture, giving such information and facts as the Secretary of Agriculture may deem necessary concerning the business in which the applicant is or will be engaged including, in the case of applications of futures commission merchants, the names and addresses of the managers of all branch offices and of all correspondents and agents engaged in soliciting or accepting on behalf of such applicants any orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any board of trade, and including also the names of its officers and partners, if a partnership, and of its officers, directors, and stockholders, as the Secretary of Agriculture may direct, if a corporation. Such person, when registered hereunder, shall likewise continue to report and furnish to the Secretary of Agriculture the above-mentioned information and such other information pertaining to his business as the Secretary of Agriculture may require. All registrations shall expire on the 31st day of December of the year for which issued, and shall be renewed upon application therefor unless the registration has been suspended (and the period of such suspension has not expired) or revoked after notice and hearing as prescribed in section 4g of this Act.

(2) Any person registered as futures commission merchant hereunder shall post in a conspicuous place in each of the offices maintained by such person in the United States in which orders for the purchase or sale of any commodity for future delivery are solicited or accepted, the original or duplicate copy (issued by the Secretary of Agriculture) of such person's registration certificate as such futures commission merchant.

SEC. 4g. If any person registered hereunder as futures commission merchant or floor broker shall violate any of the provisions of this Act, or any of the rules or regulations of the Secretary of Agriculture thereunder, or shall fail or refuse to make any report required by the Secretary of Agriculture regarding the transactions of such person, or the transactions of the customers thereof, in commodities for future delivery on any board of trade in the United States or elsewhere, or shall fail or refuse to keep the books and records pertaining to such transactions in the form and manner required by the Secretary of Agriculture, or shall fail or refuse to keep such books and records open to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice, the registration of such person may be suspended or revoked after notice and hearing in accordance with the procedure and subject to the judicial review provided in paragraph (b) of section 6 of this Act.

SEC. 4h. It shall be unlawful for any person—

(1) to conduct any office or place of business anywhere in the United States or its territories for the purpose of soliciting or accepting any orders for the purchase or sale of any commodity for future delivery, or for making or offering to make any contracts for the purchase or sale of any commodity for future delivery, or for conducting any dealings in commodities for future delivery, that are or may be used for

(A) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or

(B) determining the price basis of any such transaction in interstate commerce, or

(C) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof, if such orders, contracts, or dealings are executed or consummated otherwise than by or through a member of a contract market; or

(2) falsely to represent such person to be a member of a contract market, or the representative or agent of such member, or to be a futures commission merchant registered under this Act, or the agent of such registered futures commission merchant, in soliciting or handling any order or contract for the purchase or sale of any commodity in interstate commerce or for future delivery, or falsely to represent in connection with the handling of any such order or contract that the same is to be or has been executed on, or by or through any member of, any contract market.

SEC. 4i. It shall be unlawful for any person to make any contract for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market unless such person shall report or cause to be reported to the properly designated officer in accordance with the rules and regulations of the Secretary of Agriculture (1) whenever such person shall directly or indirectly make

such contracts with respect to any commodity, or any future of such commodity, during any one day in an amount equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture; and (2) whenever such person shall directly or indirectly have or obtain a long or short position in any commodity or in any future of such commodity, equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture. Such person shall also keep books and records of transactions coming within the provisions of (1) and (2) hereof, which books and records shall show complete details concerning all such transactions, including the names and addresses of all persons having any interest therein, and shall be open at all times to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice.

SEC. 4j. No contract for the sale of onions for future delivery on or subject to the rules of any board of trade in the United States shall be made by or through a member of a board of trade which has been designated under section 5 as a contract market.



85TH CONGRESS
2D SESSION

House Calendar No. 156

H. RES. 484

[Report No. 1393]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1958

Mr. TRIMBLE, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution
2 it shall be in order to move that the House resolve itself
3 into the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (H. R. 376) to
5 amend the Commodity Exchange Act to prohibit trading
6 in onion futures in commodity exchanges. After general
7 debate, which shall be confined to the bill and continue not
8 to exceed one hour, to be equally divided and controlled by
9 the chairman and ranking minority member of the Com-
10 mittee on Agriculture, the bill shall be read for amendment
11 under the five-minute rule. At the conclusion of the con-
12 sideration of the bill for amendment, the Committee shall

85TH CONGRESS H. RES. 484
2d Session

[Report No. 1393]

RESOLUTION

Providing for the consideration of H. R. 376,
a bill to amend the Commodity Exchange
Act to prohibit trading in onion futures in
commodity exchanges.

By Mr. TRIMBLE

FEBRUARY 25, 1958

Referred to the House Calendar and ordered to be
printed

1 rise and report the bill to the House with such amendments
2 as may have been adopted, and the previous question shall
3 be considered as ordered on the bill and amendments thereto
4 to final passage without intervening motion except one
5 motion to recommit.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued February 27, 1958
For actions of February 26, 1958
85th-2d, No. 30

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HIGHLIGHTS: See page 6.

HOUSE

SECOND SUPPLEMENTAL APPROPRIATION BILL. Passed with amendments this bill, H. R. 10881. pp. 2516-47

Rejected an amendment by Rep. Taber, by a vote of 26 to 90, to provide that no part of this appropriation would be used to make payments under the acreage reserve program of more than \$16 per acre. p. 2517

FARM PROGRAM. Rep. Morano defended the Secretary's farm policies, stating that "he has gained more in stature, in the respect of his fellow citizens, by his courageous defense of the policies he believes best for the Nation." p. 2516

Rep. Andersen, Minn., criticized the Secretary's farm policies and the President's defense of the Secretary, and stated that it was now up to Congress to enact its own farm program. pp. 2530-31

PACKERS AND STOCKYARDS. The "Daily Digest" states that the Rules Committee held hearing to consider granting of a rule on H. R. 9020, to amend the Packers and Stockyards Act. Announced that further action will be postponed

until the Committee on Interstate and Foreign Commerce has acted on H. R. 5282, to amend the anti-trust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products. Witnesses heard on the rule were Representatives Cooley, Poage, Hill, Dixon, and Harris." p. D147

4. EXPORT-IMPORT BANK. The Banking and Currency Committee ordered reported H. R. 10459, to increase the lending authority of the Export-Import Bank of Washington. p. D146
 5. WILDLIFE. The Merchant Marine and Fisheries Committee ordered reported H. R. 10679 and H. R. 10803, to authorize the Secretary of the Interior to utilize funds available under the Migratory Bird Hunting Stamp Act to acquire by lease, purchase, or exchange, small wetland and pothole areas to be designated as "Waterfowl Production Areas." p. D147
 6. TREASURY-POST OFFICE APPROPRIATION BILL, 1959. The Appropriations Committee was granted permission until midnight Thurs., Feb. 27, to file a report on this bill. p. 2516
 7. COMMITTEE ASSIGNMENTS. Rep. Metcalf resigned from the Interior and Insular Affairs Committee, and Rep. Anderson, Mont., was elected to the Committee. p. 2516
 8. FARM LOANS. Conferees were appointed on S. 1002, to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen. Senate conferees were appointed August 26, 1957. p. 2547
 9. POULTRY AND EGGS. Rep. Scudder spoke on the nutritive value of eggs in the human diet, and inserted tables on production and per capital consumption of poultry and eggs. pp. 2549-51
 10. FOREIGN TRADE. The Foreign Affairs Committee submitted a report pertaining to a special study mission to the Mediterranean and Near East (H. Rept. 1407). p. 2567
Received a report, "East-West Trade Developments, 1956-1957," pursuant to the Mutual Defense Assistant Control Act. p. 2567
 11. ACP. Received a Miss. Legislature memorial urging Congress to continue ACP in 1959 on the same basis as it operated in 1958. p. 2568
 12. LEGISLATIVE PROGRAM. Rep. McCormack announced that there is no further legislative program for this week except what can be taken up by unanimous consent. p. 2547
- SENATE
13. FOREIGN TRADE; SURPLUS COMMODITIES. The Agriculture and Forestry Committee reported with amendments S. 3039, to extend Public Law 480 (S. Rept. 1323). p. 2436
 14. ONION FUTURES. Sen. Potter urged favorable action on S. 778 or S. 1514, to eliminate trading in onion futures in organized markets, and inserted a statement by the President of the National Onion Ass'n urging prohibition of such futures trading. pp. 2462-4

This week the big House Commerce Committee went into closed session to decide its procedure after 2 weeks of public hearings last month.

THEATERS CONCERNED

Large sections of the big amusement industry are involved.

Legitimate theaters blamed loss of audiences on motion pictures; then motion pictures blamed loss of audience on television; now both motion picture and commercial TV interests see a possible new competitor in pay TV.

Publicly the rivals minimize the challenge on pay TV. At the same time they want to take no chances. Through Representatives in Congress they are set to block the infant industry before it is started.

Chairman of the House Commerce Committee is Representative OREN HARRIS, Democrat, of Arkansas. Mr. HARRIS has not distinguished his opposition to pay TV. Neither have most of the other members of the committee.

Observers have concluded that the real question in the committee is not whether to kill pay TV but how to kill it: either by a direct, immediate prohibition as incorporated in a bill by EMANUEL CELLER, Democrat, of New York, or by a more devious strategy of approving a resolution that the Federal Communications Commission shall ban tests until either Congress or the FCC itself holds hearings.

TRYOUT DELAY ASKED

On February 6 the House committee voted 17 to 7 to ask the FCC to postpone tryouts of pay TV.

* * * * *

Critics charge members have been too closely identified with the commercial interests they are regulating.

Chairman HARRIS himself recently announced he had sold interests in a local Arkansas television station.

SURVEY REPORTED

A tremendous battle over pay TV is underway.

The trade magazine *Broadcasting* circulated the results of a study it had made in 10 cities; it reported that 33.4 percent want pay TV, 66.6 percent are against it sight unseen.

There are evidences of organized propaganda: 2 Illinois Congressman of adjoining districts have received 10,000 pieces of mail apiece—all but a handful opposing pay TV.

Columnist George E. Sokolsky calls such arguments inconclusive. Under our competitive system, says this conservative columnist, the only way to implement free enterprise is to let commercial rivals show their wares.

The Wall Street Journal explains the unusual unanimity of the House Commerce Committee against pay TV, in a quotation from a Congressman:

"First, it's an election year. The public, as far as we can tell, doesn't like pay TV. It gets down to a basic thing—money out of your pocket for something you're getting free now. Or maybe even simpler, something else to take your money away."

STATEMENT ON CONGRESSIONAL COMMITTEE ACTION BY E. F. McDONALD, JR., PRESIDENT, ZENITH RADIO CORP.

CHICAGO, February 20, 1958.—I am not surprised by the action of the House and Senate Commerce Committees in adopting resolutions to delay subscription television pending further congressional action.

Members of these committees were put under terrific pressure by sacks of mail from constituents who had been frightened by a campaign of deliberate misrepresentation into believing that even a limited test of subscription TV would deprive them of the advertising programs they now receive.

The campaign originated with the heads of the three TV networks, who decided to use their astounding power to mold public opinion to kill off subscription television before the public had a chance to see it and decide for themselves whether they liked it.

Affiliated stations conducted fear campaigns in which they told their audiences that subscription television would make them pay for the programs they are now receiving, and urged them to write letters of protest to their Congressmen. This generated hundreds of thousands of letters to Members of the Congress, and resulted in the resolutions to delay the test.

I am confident that either Congress or the Department of Justice will air the facts about this misuse of the air, and that ultimately subscription TV will have the traditional American chance to offer its services in the market place, so that the people can make their own decision.

FCC SUBSCRIPTION TV PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., November 18, 1957.

The so-called subscription TV proceeding before the Commission involves the proposal that channels now used for free television broadcast be also authorized for transmitting special programs, the proper reception of which would require the payment of a charge by the viewers.

The Commission authorized experimentation of toll TV as early as 1950. On February 25, 1952, the Zenith Radio Corp. petitioned the Commission to authorize pay TV on a regular basis. A similar petition was received from Skiatron Television, Inc., on September 11, 1954. Other petitioners were largely holders of construction permits for UHF (ultra high frequency) television stations.

On February 10, 1955, the Commission instituted a rulemaking proceeding in this matter (docket 11-179). Comments were invited on the many legal, technical, and policy questions involved.

Subsequently, on May 23, 1957, the Commission issued a further notice in this proceeding in which it asked for comments on proposals by three different subscription systems—"Phonevision," sponsored by Zenith and its associated Teco, Inc.; "Subscriber-Vision," sponsored by Skiatron; and "Telemeter," sponsored by International Telemeter Corp., owned by Paramount Pictures, Inc.

In its May 23 notice the Commission concluded that (1) it has authority to permit toll TV operation if it finds it in the public interest to do so; (2) it would consider trial demonstrations if pertinent information about proposed operation was furnished, and (3) it would leave for future consideration the question of whether subscription transmission should be classed as broadcast or some other service.

During September 1957 the Commission was informed of two additional proposed toll TV methods—"Bi-Tran," proposed by Blonder-Tongue Laboratories, Inc., and "Teleglobe," proposed by Teleglobe Pay-Television System, Inc.

On October 17, 1957, the Commission adopted its first report in the subscription TV proceeding. This report opened the way to consider applications by commercial TV stations for authorizations to conduct limited pay TV operations if they meet prescribed conditions. It provides, in brief:

No action will be taken on trial subscription TV applications before next March. The trial period will be 3 years. Both VHF and UHF stations can participate. They can use any subscription method which meets the technical requirement of noninterference to other radio services, and will not degrade the technical quality of regular TV service. Each qualified subscription method may be tried in up to 3 cities receiving good

TV quality (grade A) TV signals from at least 4 TV stations. Each such method can be tried in not more than three of these eligible markets. More than one method may be tried in an individual market. More than 1 TV station in a trial market may try the same method, and an individual station may try more than one method.

Trial of any qualified subscription method is a matter for negotiation between the station and the proponent. Tollcast would be over the particular channel assigned to a TV station for regular TV broadcast. Participating stations have the public service responsibility of selecting or rejecting subscription programs, determining the maximum charges to subscribers, and continuing to provide the required minimum hours of free TV program service apart from the time given to fee TV operation.

At this stage of the proceeding the Commission is not selecting any particular subscription method or methods; the trial period will afford an opportunity for interested TV stations to demonstrate different systems, for the public to make its own judgment of the subscription service offered, and for the Commission to obtain needed information to determine whether extended authorization of this new type of service would be in the public interest.

Currently proposed subscription methods differ both in the techniques used and in the manner of collecting payments for the programs furnished.

"Phonevision" would operate through a central unit in the community served. Special programs on regular TV signals would be sent to this center by cable from the participating TV station. The center would "scramble" each such program and return it to the station for transmission in scrambled form. Punched cards would enable the subscriber to activate his decoding apparatus to permit unscrambled reception on his set.

In the "Subscriber-Vision" method, customers would likewise use punched cards, and these would also record the viewer's selection of programs for billing purposes.

Under the "Telemeter" method, subscribers would pay for each program at the start of viewing. This would be accomplished by means of a coin box attached to the receiver. This attachment would activate the decoding apparatus.

"Bi-Tran" envisions simultaneously "piggybacking" a fee TV program on the same channel as the normal free program. This would be done by a highly technical process it calls "contra-phase-multiplexing."

"Teleglobe" contemplates transmission of the video (picture) signal only, without scrambling, but sending the aural (sound) portion by wire line, for which the subscriber would pay a fee.

Other subscription methods would be eligible for testing by TV stations if they met the technical requirements. Commission decision on each application by a TV station to engage in trial tollcasts will be governed by whether the specific operation proposed meets the stated conditions and would serve the objectives of the test.

To date, more than 25,000 formal and informal filings have been received in the subscription TV proceeding. These fill over 75 volumes and constitute the largest record of its kind in the Commission's history.

This proceeding does not involve pay TV projects for theaters and homes which employ common carrier or private cable facilities to carry special programs to paying audiences. These and other "closed-circuit" (wired) TV operations, not being transmitted over the air, do not require Commission licensing. However, the Commission has authority to curb any type of radiation which causes interference to regular radio services.

ELIMINATION OF ONION FUTURES FROM ORGANIZED MARKETS

Mr. POTTER. Mr. President, I should like to discuss proposed legislation pending in our Committee on Agriculture and Forestry—two identical bills, S. 778 and S. 1514—designed to eliminate onion futures from organized markets.

This proposed legislation has strong support from an overwhelming majority of onion growers, shippers, and receivers in all parts of the country. It is certainly true in my own State of Michigan that more than 95 percent of all growers and shippers of onions are opposed to continued trading in onion futures, and I am reliably informed that the same is true in all other onion producing sections of the country.

Resolutions opposing trading in onion futures are on record by the National Onion Association, the American Farm Bureau Federation, 13 State farm bureau groups—New York, Ohio, Michigan, Indiana, Wisconsin, Iowa, Minnesota, Colorado, Utah, Idaho, Oregon, Washington, and California—the United Fresh Fruit and Vegetable Association, Vegetable Growers of America, Texas Citrus and Vegetable Growers and Shippers, Western Growers Association, and numerous other farm organizations.

Here is an agricultural industry that has never had any type of Government aid and has never asked for any. Growers and shippers ask only that they be allowed a free hand in meeting their marketing problems without interference from outside influences, factors unrelated to the onion industry in every way.

Futures trading in onions was instituted some 15 years ago by the mercantile exchanges over strenuous objections from the onion industry—growers and shippers alike. Growers did not need a futures market and feared that trading in futures would disrupt orderly marketing procedures. Their fears were well grounded.

The onion industry has no criticism of futures markets in staple commodities—cotton, grain, sugar—nonperishable commodities basic to various manufacturing processes. With these commodities real economic services are rendered. Hedging on the part of both producers and buyers lends stability to the industries concerned.

In onion futures trading the opposite is true. The onion futures market renders little, if any, service to anyone except the speculator. Futures in onions constantly disrupts the orderly marketing of the crop. On the long side of the market, very little buying is done except by speculators. Few onions are purchased for processing of any kind and very little futures buying is done by any processors. No receiver or processor can successfully hedge against his anticipated requirements by buying futures. In buying, a purchaser has only a contract calling for delivery any time within a specified month. If he has bought 15 cars to meet his needs in March, he may get all 15 on March 1 or, just as likely, all 15 during the last 5 days of the month. The buyer, either a processor or retailer, needs regular daily supplies, so many each day during the month but delivery within the month is

at the option of someone other than himself. Further, most buyers know well that they cannot expect quality to meet their needs from board delivery onions.

In the marketing of most of the onion crop, each buyer purchases the raw product, adds his service cost and passes the raw product on to the ultimate consumer. Users of onions have little need of an opportunity to hedge their purchases and they do very little of it.

With almost 100 percent of all purchases of onion futures contracts classed as speculative, let us look at the selling side. Do growers use futures extensively to hedge? Certainly not, according to a survey of open contracts on the Chicago Mercantile Exchange as of October 31, 1957, recently prepared and released by the Commodity Exchange Authority.

This report by a Government agency shows 89.6 percent of all traders were speculators: Of the remaining 10.4 percent, more than half of the short contracts, classed as hedgers, were actually contracts held by brokers based on "financing contracts" with growers. Under those contracts to finance a grower, there is usually no delivery of cash onions in settlement, according to the CEA report. The contract is closed out on a basis of a money settlement. The broker, through financing a grower's operation, has used the grower's onions to protect the broker's speculative position. Actually, then, less than 5 percent of the trading can be classed as true hedging. The CEA states that it does not appear that the hedging use of the futures market has been of such character as to be of importance in marketing onions.

To further illustrate how completely speculative this onion futures game is, in 1 season of 5 months' trading—I say 5 months' trading because all trading in the crop of any one year must end in March—in 1 season's trading over 130,000 carload contracts were dealt in, but only 1,300 cars of actual onions were delivered—about 1 percent. In the 1956-57 season, total actual onions handled through the futures market was only 615 cars. The total northern crop of onions would run somewhat over 50,000 cars. Yet, pressures of a system handling only 615 of these cars constantly disrupt and depress the total cash market.

An excellent example of this disrupting influence is cited in another CEA report, one issued in March 1957. According to this report the onion-futures market reached a high of \$2.20 per 50-pound sack on February 4. Three weeks later, on February 25, price of the March futures on the Chicago Mercantile Exchange registered a low of 87 cents, a drop of 60 percent. During March there was a substantial recovery with the futures expiring on March 22 at \$1.58 to \$1.60. Quoting this CEA report:

Price movements such as this cannot be justified by supply-and-demand factors and must be attributed either to manipulative activity or, as appears to be the case in this instance, to a wave of excessive speculation.

Further quoting the CEA report:

At that time (early February), informed market opinion was expressed that this interruption in the orderly process of marketing onions would result in a delay in disposing of the old crop, with a resultant

shrinkage and deterioration which might be expected to have a disastrous effect upon the market.

During the spring of 1956 a series of breaks drove the market down to 10 cents per 50-pound bag before trading ended in March. Empty new bags cost 20 cents each or twice the level of the futures market. These breaks are spectacular but small breaks are maneuvered from time to time throughout every trading season. During the current season breaks varying from 15 cents to 30 cents per 50-pound bag in 1 day have occurred. Again quoting the CEA reports:

It is clear that futures trading in onions has widened and accentuated price movements over short periods of time within a marketing season.

Such wild maneuvering in onion futures as I have described tends to create in the public mind distrust of all futures markets, even in the staple, large volume commodities.

Such raids on the onion-futures market constantly disrupt and depress cash markets. During delivery months for several years, the futures price has been consistently below cash markets, constantly pulling them down. The only exceptions to this have been short periods, since the introduction of the current legislation, when the exchanges were attempting to make the futures picture appear attractive.

When breaks such as the one a year ago occur, growers find the value of their remaining stock on hand suddenly cut to as little as a third of its previous value. Shippers find business completely disorganized and receivers suffer on all stocks on hand or shipments en route.

Several changes have been made in exchange regulations to supposedly correct the evils. None of the changes have so far eliminated the situation that the onion futures market is in the control of a small group of individuals; none of the changes have altered the fact that the onion futures can be and is frequently driven down at the whim of a small group. It must be noted, too, that no corrective changes were made until forced by the pressure of the current legislation. These changes are made only by the governing bodies of the exchanges and can be, and will be, reversed if the pressure is removed.

The nature of the commodity itself is such that it makes futures trading impractical and regulation impossible. Onions, compared to the stable futures commodities, are highly perishable. All trading in a season's crop must terminate in March. Perhaps more important is the small volume of the crop which makes control and maneuvering by a small group so easy, and regulation so impossible. The total northern onion crop of about 30 million bushels is minute compared to the volume of staples such as cotton and grains. Even then only a fraction of these 30 million bags qualifies as to variety and grade for futures trading.

The whole system of futures trading in onions with its very high percentage of speculation, involving little or no merchandise, becomes simply bets placed by two parties as to whether the price of onions will go up or down.

It has become common practice to use several devices to depress the market in a manner entirely unrelated to supply and demand. The methods are particularly effective due to the small volume and perishable nature of the commodity. Once the market is so depressed, the short operators, those who have sold futures, reap their profit by buying back at the lower prices, thus canceling out their contracts.

Due to the forces of the true supply and demand situation, the market gradually recovers a part of the forced drop. The process is then repeated. What matter if onions are driven down to 10 cents a bag so long as a profit can be made with each maneuvered break? Onions merely correspond to poker chips in this enormous gambling operation. The difference is that as the value of the poker chips is depressed, the livelihood of the onion growers and shippers is jeopardized in a game which they do not want and have no part in.

Trading in onion futures renders no service, disrupts the orderly distribution of an item in our food supply, and seriously undermines the financial status of a segment of our farm population. The elimination of onion futures trading would fulfill the basic concept of the law—that of restraining our destructive tendencies, without violating or disturbing our peaceful, creative activities.

It is my earnest hope that prompt and favorable action will be taken on the pending legislation to eliminate futures trading in onions.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement made before a subcommittee of the Committee on Agriculture and Forestry by Mr. Veril Baldwin, of Stockbridge, Mich., president of the National Onion Association, and one of the outstanding onion farmers of the country.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF VERIL BALDWIN, PRESIDENT, NATIONAL ONION ASSOCIATION, STOCKBRIDGE, MICH.

MR. BALDWIN. Mr. Chairman and members of the committee, my name is Veril Baldwin from Stockbridge, Mich., onion grower and shipper, and president of the National Onion Association.

I also represent the following organizations that have taken a definite stand in support of legislation to eliminate onions from futures trading:

The Michigan Muck Farmers Association. The Michigan Onion Growers Association. The Michigan Farm Bureau, with some 66,000 members.

The Wisconsin Farm Bureau. The Wisconsin Muck Farmers Association. The Michigan Agricultural Conference consisting of 88 organized groups, with approximately 60,000 members.

The Michigan Vegetable Council. The United Fresh Fruit & Vegetable Association, with over 5,000 members.

The Vegetable Growers of America, with 5,000 to 6,000 members.

The Indiana Muck Crop Growers Association.

The Western Growers Association. The Associated Colorado Growers & Shippers.

The Indiana Potato Growers Association. The New York State Vegetable Growers Association.

The Texas Citrus & Vegetable Growers Association.

The Idaho Growers & Shippers Association. The Southwest Idaho Growers Association. The Malheur County Onion Growers Association.

The Hollendale Marketing Association. The Southern Minnesota Vegetable Growers Association.

The Colorado Onion Growers Association. The Colorado Growers & Shippers. The Oakfield & Elba Growers Association. The Oswego Vegetable Growers Association. The Colorado Potato Growers Exchange. The Chicago Carlot Potato Dealers.

The Olathe Potato Growers Association.

I would like to comment, if I may, that there is some duplication of organizations, where we contend that we represent the onion industry. The opposition has raised the question as to whether or not we completely represent the industry. We would like to point out that where the National Onion Association appears to have few members in certain areas, such as Wisconsin, that we had duplicate organizations that we represent, such as the Wisconsin Farm Bureau and the Wisconsin Muck Farmers Association and the United Fresh Fruit & Vegetable Organization, which is a national organization, and the VGA, which is the Vegetable Growers of America, and a national organization, and also the Farm Bureau of Wisconsin, and also the National Farm Bureau.

Senator HUMPHREY. What you are saying is that your membership cuts across into these other organizations, as well as their membership into yours; is that correct?

MR. BALDWIN. That is right, and that those organizations are on record as to the same thing that we are supporting.

Senator HUMPHREY. I want you to know I was never very impressed by the argument that you did not represent the onion growers. I think you do.

MR. BALDWIN. Thank you.

MR. CHAIRMAN, market organizations and onion operators in the following terminal markets have authorized the National Onion Association to represent their interests at the Senate Agricultural Subcommittee hearings on futures, August 12, 1957: Washington, D. C.; Philadelphia, Pa.; St. Louis, Mo.; Pittsburgh, Pa.; Portland, Oreg.; Cleveland, Ohio; Jacksonville, Fla.; Buffalo, N. Y.; Indianapolis, Ind.; Albany, N. Y.; Chicago, Ill.; Minneapolis, Minn.; Boston, Mass.; Providence, R. I.; and Salt Lake City, Utah.

We have on file with the House Agricultural Subcommittee petitions with thousands of names supporting legislation to prohibit futures trading in onions.

I represent over 110 organized groups and, together with other representatives of national organized groups here, we represent millions of paid members.

In the face of this formidable array of organized strength, the opposition in previous hearings has had the audacity to raise the question as to whether or not we represent the onion industry. The onion industry is admittedly a small industry. The National Onion Association is likewise a small organization, but it has more paid members today than ever before in its history, and is the only organized group representing the onion industry. It is a fair statement that practically every bushel of onions produced in the United States is produced or handled by members of the National Onion Association, or by other groups we represent here. How could the situation possibly be covered more completely?

We have no criticism or objection to futures trading in other more stable commodities where real services of economic value are rendered. We do think that the tremendous unfavorable publicity pertaining to futures trading in onions for many years has discredited all futures trading and, if continued, will always tend to discredit, in the

eyes of the public, futures trading in more suitable commodities.

Futures trading in onions was forced on the onion industry and, in the past 10 years, has perhaps caused more hardship and dissatisfaction and unfavorable publicity than such trading in all other commodities combined for the past 40 years.

Forced to accept futures trading in onions, the onion industry for many years insisted that the Merchantile Exchange modify and improve its onion futures operations. The stock answer and attitude was that they were in a legal business to stay, that they had millions of dollars to spend to protect their rights, and that the little people in the onion business would just have to learn to live with it.

We have no criticism of the Commodity Exchange Authority and we admit that they have forced some valuable restrictive regulations on trading, but they admittedly have been unable to regulate trading in onions to eliminate the evil practices that are destroying the onion industry.

In fairness to the situation, we also admit that the Merchantile Exchange, under this legislative pressure, has adopted some constructive rules and regulations. However, the people I represent have no confidence in the permanency of constructive regulations adopted under pressure, and they know that exchange members who make and change the rules are not interested in a stable market—but in a sharply moving market, with traders changing their positions often, all of which brings in additional brokerage revenues. These accumulative brokerage revenues oftentimes exceed the value of the commodity traded.

The people I represent want no more time spent in efforts at regulations and controls, but wish to be free from the effects of a system that bleeds the onion industry of millions of dollars and contributes nothing but chaos and demoralization to cash markets.

The opposition has brought out the fact that onions fluctuated and were cheap before futures trading existed; however, I would like to point out that a bag of onions for 50 cents today is vastly different from a bag of onions at 50 cents 15 years ago, as the cost of production has perhaps trebled.

Further, I remember no history of prices, even in depression days, equal to the 10 cents per bag record established not so very long ago on the Chicago futures market, this being less than half the cost of the empty bag.

Only last February onion prices on the Merchantile Exchange were forced down from a high of over \$2 to 85 cents in 3 weeks' time. This rapid decline was brought about even though stocks of onions on hand throughout the country were not adequate to meet normal needs until the spring crop was ready. This drastic price break resulted in complete chaos in cash markets, even to the point of recognition in bulletins issued from several brokers' offices. Onion movement temporarily came to a standstill, and formerly light supplies began to back up and became burdensome.

Futures trading is unbelievably disturbing to the cash market during liquidation months. All value gained from a hedging program is usually offset by the chaos and loss during liquidation months.

The onion industry has never asked Congress for any kind of price support or subsidy. The industry has experienced incredible hardships due to wildly fluctuating markets and artificially depressed prices. Most people in the onion business feel that one of their greatest problems is the adverse effects of futures trading on mercantile exchanges.

Futures trading in onions has become a great factor in the onion business. Most people in the business think it is a very bad and undesirable factor. I have been convinced for some time that, since onion

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growers are subject to the depressed prices caused by futures trading, they must avail themselves of the upswings in the market if they are to stay in business. I have used this policy in my own business with some success. I make this statement to counteract the opposition's contention that only those who have lost money on the board are opposed to it.

However, the majority of onion growers, for various reasons—lack of finances, lack of information, and small size of operation—are unable to use the services of the board, but are victimized by its adverse effects. I have long been convinced that futures trading in onions was detrimental to the onion industry.

Futures trading results in overproduction by giving some growers encouragement to plant through early quotations that are attractive. Especially, it brings overproduction through broker financing to stimulate brokerage income and provide onions under the brokers' control during delivery months.

Futures trading in onions results in many cars of minimum quality onions thrown on the market intentionally to reduce the price of all onions, both cash and board, so shorts can cover commitments profitably. Onions are too small an industry, too perishable, too short-seasoned to lend themselves to futures trading. This is the sober, studied judgment of practically everyone in the onion industry.

Further, futures trading in onions renders no real service, economic or otherwise, as does futures trading in more stable commodities.

Onions are not processed or used in manufacturing to any extent, so buying to hedge for future use is almost nonexistent. The average grower, as has been pointed out, cannot successfully use the market to hedge his sales.

Mention has been made of the value of information received from trading exchanges. It is a well-known fact that misinformation to influence the market is one of the biggest factors used by onion futures traders.

In the words of one associate broker on the exchange, "It's just a good crap game." The onion industry thoroughly agrees, but must add "with loaded dice."

The people I represent are opposed to futures trading because it serves no useful purpose. Yet it robs the industry of millions of dollars and contributes nothing. Neither does it affect consumer prices one way or the other, as experience has shown.

The opposition to eliminating organized futures trading consists almost entirely of a few people interested in brokerage revenues or growers who are financed by board money and under obligation to those interested in brokerage revenues and board control.

Senator HUMPHREY. Are you saying here, Mr. Baldwin, that when these prices slide down to these disastrous low levels, it does not reflect itself in the retail establishment to the consumer?

Mr. BALDWIN. Yes, Mr. Chairman; I said just that. We have observed for a good many years the price follows the pattern of something like 8 cents a pound to the retailer, and that continues throughout the season, and the price on the board, or the price on the cash market, or the price to the farmer, can fluctuate \$1 a bag to \$2 a bag, with practically no effect whatever, either up or down, to the consumer price.

Senator HUMPHREY. Thank you very much.

Mr. BALDWIN. Of course, one reason for that is that the other services that enter into the cost of food that applies to so many things is fairly constant. And the farmer receives less and less percentage of the value of the raw material.

We realize that the Senate committee wishes a record of evidence in their own files, but time and space compels us to refer you to a tremendous amount of evidence on file in the House Agricultural Subcommittee which is available to you.

Previous testimony by the opposition has been most abusive in its attacks on the NOA and its leadership, even to the point of character assassination type of statements, which I have ignored.

The question for consideration here is not personalities but the future welfare of an industry. The National Onion Association has no apologies for carrying out the overwhelming mandate from its members, and is working for the welfare of the industry in the only democratic American way possible.

We sincerely urge your support of this legislation to prohibit futures trading in onions so the industry can be free to study and work out other problems it may face.

Senator HUMPHREY. Thank you very much, Mr. Baldwin. That is a very fine statement. We have the testimony of the House subcommittee. The main reason for this hearing was that some of the opponents of this legislation asked to be heard and we work on the proposition here that if people want to be heard, time will be taken out to hear them.

Mr. BALDWIN. Thank you very kindly, Mr. Chairman, and thank you for stepping up my time so that I can leave and be with my family. I would like to mention that if any question comes up that you want further information pertaining to the National Onion Association, the secretary of that association, Jack Rose, is here, and although he is not scheduled to testify, he will be available to answer questions.

Senator HUMPHREY. Thank you. I want you to know, Mr. Baldwin, that the National Onion Association enjoys a good reputation in the presence of this committee, and you have some mighty good affiliates on the list that you submitted. So I don't think we will have to spend any time justifying the virtues of the organization.

Mr. BALDWIN. Thank you, that is refreshing, in view of some of the criticisms that one sometimes gets.

Senator HUMPHREY. Thank you, sir.

A PUBLIC WORKS PROGRAM AND THE EXISTING ECONOMIC SITUATION

Mr. GORE. Mr. President, I congratulate the able junior Senator from Minnesota [Mr. HUMPHREY] for joining those who are urging a public-works program to relieve the severe and growing unemployment.

I desire to point out to him that he has joined distinguished company. Only the day before yesterday a very distinguished American, with far more power of direction in such matters than a mere United States Senator has, made a statement on that subject. I shall read three selected sentences from the statement, a portion of which I had printed in the CONGRESSIONAL RECORD of yesterday, where it appears on page A1714. In regard to a public-works program and an antirecessionary program, that distinguished gentleman said:

Let's do it my the means of doing things that need to be done in our country. It would be far better to push these projects when there is the time of slack employment. I think it is just ordinary horse sense. I think all of us agree. So let's do that.

I was pleased to read this speech. I have been making similar speeches for a month now.

Does the Senator from Minnesota identify that statement?

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. PROXIMIRE in the chair). Does the Senator from Tennessee yield to the Senator from Minnesota?

Mr. GORE. I yield.

Mr. HUMPHREY. It is my recollection that the speech to which the Senator from Tennessee has referred is one delivered by the President of the United States, Mr. Eisenhower.

Mr. GORE. The Senator from Minnesota is eminently correct. But does he recognize any similarity between the words the President used in the speech he delivered the day before yesterday and the Eisenhower-Nixon budget which is pending before the Congress?

Mr. HUMPHREY. Mr. President, if there is any similarity, it is by sheer coincidence, and surely not by premeditation or planning.

Let me add that one finds in the words the Senator from Tennessee has read from the President's speech a pronouncement of good intentions, but with no means of fulfilling them, because the budget the President has sent to the Congress ignores the existing fact of the economic recession. The President referred to inflation, when, in fact, the country is now suffering the growing pains of a recession.

Mr. GORE. How can the Senator from Minnesota explain the fact that the President has talked about proceeding in one way whereas his administration is acting in the opposite way?

Mr. HUMPHREY. I cannot. But the administration has done very well up to date in riding both those horses at the same time, and thus proceeding rapidly in opposite directions. The administration has stretched itself almost to the point of no return; it really has been able to do so. We see that happening again and again. It is government by appearance, rather than government by substance.

Mr. GORE. It was a long time ago that a very venerable gentleman was perplexed about the voice of Jacob and the hands of Esau.

Mr. HUMPHREY. That Biblical reference is still very appropriate. The fact is that this administration has no plans; or, if it has any plans, it does not have the courage to put them into effect. It had better get off dead center pretty soon, or else the country will be in great trouble.

Mr. GORE. Mr. President

The PRESIDING OFFICER. Under the 3-minute limitation, the time of the Senator from Tennessee has expired.

Mr. GORE. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Is the Senator from Minnesota aware of the fact that on yesterday the cost of living was reported as having reached a new all-time high?

Mr. HUMPHREY. Let me say to the Senator from Tennessee that the administration has produced the unique accomplishment of having at the same time unprecedented heights in the cost of living and a growing problem of unemployment and recession. One has to be very good to do that.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 14, 1958
For actions of March 13, 1958
85th-2d, No. 40

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HIGHLIGHTS; Senate passed measure to freeze acreage allotments and price supports (including dairy price supports). Rejected a measure to freeze only dairy price supports. Sen. Proxmire inserted Secretary's letter declining to debate farm issues with him. House committee ordered reported bill to authorize additional flexibility in price supports for extra-long staple cotton. House passed bills to: grant relief to certain farmers who overplanted wheat allotments; prohibit onion futures trading; authorize road appropriations. Rep. Reuss criticized Secretary's farm income statements.

SENATE

1. PRICE SUPPORTS, ACREAGE ALLOTMENTS. Passed, by a vote of 50 to 43, S. J. Res. 162, to prohibit any reduction in price supports or acreage allotments for any commodity, except tobacco, below 1957 levels. (pp. 3790-3837) (See Digest 37 for fuller explanation of the resolution.)
2. DAIRY PRICE SUPPORTS. Rejected, by a vote of 43 to 50, S. J. Res. 163, to prohibit any reduction in support prices for dairy products. (pp. 3837-44) It was explained during debate on this measure that S. J. Res. 162, which had been passed earlier, prohibited reductions in dairy price supports, and thus this resolution was not necessary for the purpose intended.

3. FARM PROGRAM. Sen. Proxmire inserted the Secretary's letter to him declining to debate farm issues with him, and expressed disappointment that the Secretary declined. p. 3773
Sen. Humphrey inserted an article critical of proposals that more farmers should leave the farm as an aid in solving the problem of over-production of farm commodities. p. 3787.
Sen. Dirksen inserted the text of a publication by this Department, "Facts About Price Supports," including tabular material on the costs of price support programs. p. 3884-85
4. ROADS. A subcommittee of the Public Works Committee ordered reported S. 3414, to authorize appropriations for continuing the construction of roads. D207
5. FOREIGN TRADE. A subcommittee of the Banking and Currency Committee ordered reported S. 3093, to extend for an additional 2 years the Export Control Act. p. D207
Sen. Humphrey inserted a recent address he made suggesting ways for improvement of foreign aid program, including extension of Public Law 480. pp. 3788-90
6. PUBLIC WORKS. Sen. Case, S. Dak., inserted tabular material summarizing unexpended and unobligated balances for public works programs by agencies. pp. 3782-83
7. CONTRACTS. Both Houses received from the Secretary of Defense a proposed bill to extend the Renegotiation Act of 1951 for 2 years; to H. Ways and Means and S. Finance Committees. pp. 3747, 3750
8. VIRGIN ISLANDS. Received from GAO a report on review of selected activities of the Government of the Virgin Islands. p. 3750
9. RECLAMATION. Sen. Mansfield expressed pleasure that, according to an article he recently read, the Administration plans to submit to Congress a request for funds for the Helena Valley irrigation project, and the Fort Peck-Dawson Co. power transmission line. p. 3759

HOUSE

10. WHEAT. Passed as reported H. R. 11086, to grant relief from penalties of certain farmers who overplanted their wheat acreage allotments. pp. 3693-4
11. ONION FUTURES. Passed with amendment H. R. 376, to prohibit futures trading in onions (pp. 3694-5, 3696-3713). Rep. McIntire's amendment to include Irish potatoes was stricken on a point of order (p. 3706-7). Agreed to Rep. McIntire's amendment to allow existing futures contracts to remain valid (p. 3708). Rejected Rep. Krueger's motion to recommit the bill (p. 3713).
12. COTTON. The Cotton Subcommittee ordered reported to the Agriculture Committee H. R. 11399 (introduced by Rep. Gathings), to authorize additional flexibility in price supports for long-staple cotton. p. D208
13. ROADS. Passed as reported H. R. 9821, to authorize appropriations for Federal aid for road construction, including funds for forest highways, roads and trails. pp. 3695-6, 3719-23

NATIONAL LIBRARY WEEK

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 226.

The Clerk read the title of the House concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. FORRESTER]?

Mr. KEATING. Mr. Speaker, reserving the right to object, and I shall not object, I feel it would be desirable, since this was not unanimously agreed to in our committee, if the gentleman would explain the purpose of the bill.

Mr. FORRESTER. Mr. Speaker, as the gentleman on the minority side knows, the American Library Association is sponsoring the week of March 16 to March 22, 1958, as National Library Week. This is pursuant to, or at least in harmony with, congressional action on the part of the Congress last year. There are at this time 43 out of the 48 States participating in this National Library Week. There is no money involved and it applies only to the week beginning on the 16th of the present month. Unless this bill is passed now it will be too late to be acted on. Therefore I ask the gentleman to allow the bill to be considered and agreed to.

Mr. KEATING. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. FORRESTER]?

There being no objection, the Clerk read the House concurrent resolution, as follows:

Whereas the Congress of the United States has recognized the vital educational and cultural role of libraries in the United States by the enactment of the Library Services Act, approved June 19, 1956; and

Whereas the Library Services Act is now in operation in 43 of the 48 States as a means of finding ways of bringing adequate public library service to some 27 million Americans, largely in rural areas, hitherto without such service or with totally inadequate service; and

Whereas State and local governments, professional associations, and citizens' groups recognize that much remains to be done to improve the availability of the full resources of the printed word to all of our people for education, self-improvement, cultural advancement, and fulfilling the responsibilities of citizens in a democracy; and

Whereas the National Book Committee and the American Library Association, in cooperation with numerous other citizens' organizations, business and professional groups, and voluntary associations, have designated the week of March 16–22, 1958, as the first National Library Week; and

Whereas National Library Week will increase support for libraries from the highest levels of leadership in the civic, economic, professional, and cultural life of the United States; will expose the need for the extension and improvement of school and public library services; will offer opportunities for librarians to work more closely with newspaper, magazine, and advertising executives in broadening the use of printed materials; will attract wider public attention to library services through features in national media; and will promote prestige for reading itself by showing the vital role the printed word can play in the fun of reading aloud in the family, the rewards of reading as a

leisure-time activity, and the contribution of reading to career advancement: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the President is authorized and requested to issue a proclamation designating the 7-day period beginning on March 16, 1958, and ending on March 22, 1958, both dates inclusive, as "National Library Week," and calling upon the people of the United States to observe such week with appropriate ceremonies.

The House concurrent resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHEAT ACREAGE HISTORY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 11086) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. ALBERT]?

Mr. HILL. Mr. Speaker, reserving the right to object, and I shall not object, I would like to have the gentleman explain in very few words what this bill will do.

Mr. ALBERT. Mr. Speaker, the purpose of H. R. 11086 is set out in the committee report. The bill was reported unanimously by both the Subcommittee on Wheat and the Committee on Agriculture.

During the first session of this Congress Public Law 203 was enacted. This statute provided among other things that no acreage in the commercial wheat producing area seeded to wheat for harvest as grain in 1958 or thereafter in excess of acreage allotments should be considered in establishing future State, county, and farm acreage allotments. This bill was approved August 28, 1957.

The committee had evidence before it that the contents of Public Law 203 were not made known in some areas until as late as October. The result was that many farmers who had planted wheat in excess of their allotments found that in addition to penalties contemplated under previous law, they would suffer the further penalty of not being able to include either planted or diverted acreage above their allotments in the establishment of their future allotments. The committee considered that this had the effect of changing the rules in the middle of the game.

A number of bills have been introduced during the present session designed to forestall this additional penalty for the 1958 wheat crop. They are H. R. 9814 by Mr. BREEDING, H. R. 9819 by Mr. CHENOWETH, H. R. 9869 by Mr. THOMSON, and H. R. 10011 by Mr. HILL.

Bills identical to the committee bill were introduced by Mr. BREEDING—H. R. 11089, Mr. CHENOWETH—H. R. 11132, and Mr. HILL—H. R. 11138.

The first bill introduced on this matter, H. R. 9814, was introduced by the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING has pursued this subject consistently ever since the Congress convened. He has talked to me repeatedly about it and he has appeared before the committee and testified at length upon the subject. It was his bill, H. R. 9814, which formed the basis for our first hearing upon this matter.

This bill before the House contains a permanent change in the law which would enable farmers planting in excess of their allotments to store the excess without losing credit for their diverted acres in the establishment of future allotments. The committee amendments would broaden this to include county and State as well as farm allotments.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. ALBERT]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by adding at the end thereof two new sentences reading as follows: "For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and subsequent years shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted from the production of wheat: Provided, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year"; and

(2) by striking out in subsection (h) the language "future State, county, and farm acreage allotments" and inserting in lieu thereof "future State and county acreage allotments."

With the following committee amendments:

Page 1, following line 4, insert the following:

"(1) by changing the period at the end of the first sentence of subsection (a) to a colon and adding a proviso as follows: 'Provided, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with ap-

pliable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.'

"(2) By changing the period at the end of the first sentence of subsection (b) to a colon and adding a proviso as follows: 'Provided, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.'

Page 1, line 5, strike out "(1)" and insert "(3)".

Page 1, lines 5 and 6, strike out "thereof two new sentences reading" and insert "of subsection (c) thereof a new sentence".

Page 2, line 5, strike out "subsequent years" and insert "any subsequent year".

Page 2, lines 9 and 10, strike out "from the production of wheat" and insert "under such wheat allotment programs".

Page 3, line 3, strike out "(2)" and insert "(4)".

Page 3, line 3, following "subsection (h)" insert "thereof".

Page 3, line 6, strike out the quotation marks and the period and insert: "except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record in explanation of the bill just passed and that all Members may have 5 legislative days in which to extend their remarks on this measure.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BREEDING. Mr. Speaker, in lending my unqualified support to the bill H. R. 11086, I should like to state that the main purpose of this measure is to free for 1958 the base-acreage-loss penalty enacted last year under the so-called feed-wheat law.

On January 8, 1958, I introduced legislation designed to accomplish just that purpose. On February 6, 1958, while testifying in support of the measure, I

told the House Agriculture Wheat Subcommittee, of which the distinguished gentleman from Oklahoma [Mr. ALBERT] is chairman, that what I was attempting to do, in simple justice and fairness, was to free for 1 year the 1957 winter-wheat planter who had overseeded without any warning that he could be penalized through the loss of some of his base acreage until after he had completed planting.

The measure, in other words, would correct the operation of a gross inequity in the nature of a retroactive penalty.

It was not until October 3, 1957, Mr. Speaker, that the Kansas State Agricultural Stabilization and Conservation Committee, and many other wheat-State committees, received information from the United States Department of Agriculture which spelled out specifically the operation of Public Law 85-203, the feed-wheat law as it applied to excess-wheat farms, particularly the penalties involved.

However, in my area of the country winter-wheat operators begin planting as early as August 15. Under the law governing the production of wheat, as revised in 1957, there simply was not sufficient time for the farmer to be on notice that he could be punished for overseeding through the loss of a portion of his base acreage.

Mr. ALBERT's bill, H. R. 11086, and my bill, H. R. 11089, identical measures, would free for 1 year, 1958, the 1957 winter-wheat planter from this overseeding penalty.

For the year 1959 and all subsequent years wheatgrowers will be subject to the full slate of penalties for noncompliance with the wheat laws, including the acreage-loss penalty, designed to discourage wheat production in excess of allotment unless he places the excess in storage.

This bill has the approval of the Department of Agriculture, and I strongly urge its passage.

PROHIBITING FUTURES TRADING IN ONIONS

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 484 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved. That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges. After general debate, which shall be confined to the bill and continued not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and myself such time as I may consume.

Mr. Speaker, House Resolution 484 makes in order the consideration of H. R. 376. The resolution provides for an open rule and 1 hour of general debate.

The bill proposes to amend the Commodity Exchange Act to prohibit futures trading in onions on commodity exchanges designated as contract markets under this act. At the present time onion futures trading is prohibited except on contract markets.

Following protests from onion growers that price variations on the futures market have been adversely affecting the cash price of onions, hearings were held on this bill, H. R. 376, and a number of similar bills. In addition to the testimony of witnesses, the Commodity Exchange Authority and the Agricultural Economics Division of the Department of Agriculture conducted some studies. It appears from the testimony and the studies that unlike other commodities, there is relatively little buyer hedging in onion futures and that variations in prices on the futures market without any relationship to supply and demand factors do have a direct effect over short periods of time on the cash price of onions. Accordingly, the Committee on Agriculture has reported H. R. 376.

I ask for the prompt adoption of House Resolution 484 so the House may proceed to the consideration of H. R. 376.

Mr. ALLEN of Illinois. Mr. Speaker, the gentleman from Arkansas has fully explained the rule. I understand there is some opposition to the bill itself. How great, I do not know. But, I think the rule should be adopted, at least.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Speaker, one never can tell who will help him. Here is an anonymous communication which was shoved in the mailbox at my office last night, together with a newspaper clipping, which reads:

Mr. Reuther, president of the United Auto Workers Union and chairman of the AFL-CIO Economic Committee, also recommended immediate action on a tax cut, broadening of unemployment compensation benefits, and expanding public works spending.

Mr. Reuther spoke to about 1,000 AFL-CIO representatives gathered from all parts of the Nation to seek antirecession action from Congress.

Mr. Reuther said the economic situation is growing worse, not better. If it gets much worse, he said, the Government should put into effect a moratorium on withholding income tax collections from worker pay. This would pump \$500 million a week into the Nation's purchasing power, Mr. Reuther said. He emphasized the moratorium should be tried only if other antirecession moves fail.

"Anyone who thinks prosperity is just around the corner is fooling himself badly," Mr. Reuther said.

"The recession is serious and will become more serious unless prompt measures are taken. It will not solve itself. There are no positive forces at work."

The note in the mailbox was from a Government employee. The note reads in part:

Walter Reuther recommends a moratorium on tax collections.

Why doesn't he and other labor union czars declare a moratorium on the collection of union dues, COPE fund grabs, assessments, welfare funds, etc.?

After all, the union treasuries are bulging with surplus funds.

The Government is broke—\$275 billion plus in hock.

Seems the union treasuries can afford the luxury of a 90-day moratorium more than the Federal Treasury.

A GOVERNMENT EMPLOYEE.

I hope the Committee on Ways and Means will ask Mr. Reuther about that, because it seems quite helpful.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, what is being done today to me just does not make sense, and our national defense is in jeopardy. They are r. i. f.ing or separating personnel out of Government departments; they are closing down hospitals; they are cutting down on arsenals and military installations, and then they are going out and giving employment somewhere else, taking it away from one person or a lot of people in one community and putting them on unemployment insurance or relief and giving it to another community. It disrupts in the end both communities. It is extremely unfair and cruel, and I think really dishonest. People do not realize that the Government is so big today that often they do not know the result of what they are doing in financial or social economy. All of us have had this experience in the past in connection with Government installations. People have been dropped; hospitals have been closed; arsenals have lost work and personnel, and they must be kept open and running to be prepared in case of an emergency. Keeping the arsenals open is literally a lifesaving matter. If you do not have trained engineers, trained scientists, trained workers, one cannot have immediate or safe production or security.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMPLETION OF THE INTER-AMERICAN HIGHWAY

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 495 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5309) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

(H. R. 7870) to amend the act of July 1, 1955, to authorize an additional \$10 million for the completion of the Inter-American Highway. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN] and at this time yield myself such time as I may consume.

Mr. Speaker, as the reading of the resolution indicated, this resolution makes in order the bill H. R. 7870, which amends Public Law 129 of the 84th Congress by providing an additional \$10 million for the completion of the Inter-American Highway. The resolution provides for an open rule and 2 hours of general debate. I know of no opposition to the resolution. I do not know what may happen when we take up the bill.

I urge the adoption of the resolution. Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, MERCEDES DIVISION

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 494 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5309) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and at this time yield myself such time as I may consume.

Mr. Speaker, House Resolution 494 makes in order the consideration of H. R. 5309, the Rio Grande rehabilitation project, Texas. The resolution provides for an open rule and 1 hour of general debate.

The bill authorizes \$10,100,000, on the basis of January 1957 prices, for the rehabilitation of the existing irrigation works for the Mercedes division of the Rio Grande project, including repair or replacement of deteriorated canal linings, overhauling of river-pumping plants, rehabilitation of inadequate irrigation and drainage structures, and construction of access roads for maintenance purposes.

The entire cost is allocable to irrigation and with the exception of \$22,000 already contributed by the district for investigation costs, is reimbursable. The bill is amended to make perfectly clear that the cost is to be repaid in accordance with the district's repayment ability within a period of 40 years. Studies indicate that the district will be able to repay in a much shorter period. The committee also amended the bill to provide for the payment of interest by single owners of lands in excess of present reclamation law.

It is estimated that the rehabilitation of this project will save approximately \$100,000 annually in operation, maintenance, and replacement costs and that agricultural income will be increased substantially.

I urge the adoption of House Resolution 494.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HIGHWAY CONSTRUCTION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 501 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9821) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways. After general debate, which shall be confined to the bill and continued not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, this resolution makes in order the consideration of the usual biennial authorization

for construction of highways. I know of no controversy on it.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [MR. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I reserve my time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROHIBITING FUTURES TRADING IN ONIONS

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 376, with Mr. ASPINALL in the chair.

The Clerk read the title of the bill. By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the purpose of this bill is to amend the Commodity Exchange Act so as to prohibit futures trading in onions. Because of the limited time available for debate, Mr. Chairman, I intend to take only a few minutes and then to ask the gentlewoman from Idaho [Mrs. PROST] the author of the bill, and others who are more closely concerned in this matter, to give the House such detailed explanation as they deem necessary.

Onion futures contracts are traded on only two exchanges in the United States—the Chicago Mercantile Exchange and the New York Merchantile Exchange. The Chicago Exchange started trading in onion futures contracts in 1942 and the great bulk of the onion futures trading is still conducted on that market. The New York Exchange came into the onion business in 1946 and does a relatively small amount of trading in this commodity.

For the past several years there has been a growing conviction among onion producers that price variations in the onion futures market have been adversely affecting the cash price of their product. Violent fluctuations in the futures price of onions have tended to substantiate the position taken by the growers.

In 1950, for example, the March future on the Chicago Mercantile Exchange ranged from a high of \$1.28 to a low of 44 cents for a 50-pound bag of onions during the month of March.

In 1951 the range was from 77 cents to \$2.07.

In 1956, the March future ranged from a seasonal high of \$2.75 per 50-pound bag to 84 cents on March 1, 1956, and a low of 10 cents per bag on March 15.

Price movements of this sort cannot be attributed to supply and demand. It is

clear that speculation, and in some instances manipulation, has been a dominant factor.

Until 1955, the Commodity Exchange Authority—which regulates trading in commodity futures in the United States—had no authority to regulate trading in onion futures. In 1955, however, the Agriculture Committee reported and the Congress enacted a bill placing onion futures under the jurisdiction of the Commodity Exchange Authority. This bill became law on July 26, 1955.

This was recognized at the time as a temporizing measure which might not produce any affirmative results. Trading in potato futures had been under the CEA since 1936 but, nevertheless, conditions in the potato futures market were such that the protests of potato producers against the futures market were almost as loud as those of onion producers against the futures market in their commodity.

Accordingly, on October 27, 1955, I appointed a special subcommittee under the chairmanship of Hon. GEORGE M. GRANT, of Alabama, to study the effect of futures trading on the supplies and the prices of onions and potatoes.

That committee held hearings at Presque Isle, Maine, on December 6 and 7, 1955; at Chicago, Ill., on March 24, 1956; and in Washington on May 16, 17, 18, and 22, 1956.

After hearing testimony not only from producers and representatives of the Commodity Exchanges, but from farm organizations and a number of disinterested witnesses, the subcommittee issued its report in September 1956.

This report said in substance, first, that the basic economic activity involved is the physical production and distribution of onions and potatoes, not the trading in futures contracts for these commodities; second, that gyrations of the futures market have at times adversely affected the cash price of onions and potatoes; and, third, that unless futures markets can be operated in such a way as to prevent injury to the producers of these commodities, futures trading in such commodities should be prohibited altogether.

There was a period of relative stability in the onion futures market following the issuance of this report but about the first of February 1957, bullish activity began on the onion futures market and sent the price up from \$1.15 on January 8 to \$2.29 per 50 pound bag on February 4. Thereafter, the reaction set in sharply and by February 25, March futures had dropped to 87 cents per bag.

These gyrations set off a new wave of producer demands for the complete prohibition of trading in onion futures and hearings were set on this bill and several similar bills.

Testimony at these hearings was of unusually high caliber. Witnesses were almost equally divided between those advocating abolition of futures trading in onions and those who opposed such action. In addition to testimony of those directly interested in the proceedings, independent studies of the relationship between the futures market and the cash price of onions were made at the request of the committee by the Com-

modity Exchange Authority and the Agricultural Marketing Service of the Department of Agriculture.

These studies and the testimony of witnesses for both sides in this controversy substantiated at least the following conclusions:

First. In spite of any improvements in trading practices which may be brought about by the Commodity Exchange Authority or by action of the Exchanges themselves, violent fluctuations in the onion futures market can still take place without any relationship to supply and demand factors.

Second. Although these gyrations of the futures market may not affect the long-run or season average cash price of onions, there is no doubt that they do affect the cash price over short periods of time and have a pronounced effect on the cash onion market, frequently at the very moment when the bulk of onions are moving to market.

Third. While there is some use of the onion futures market for hedging purposes, it is clear that the volume of hedging in this commodity is far lighter than that in many other commodities and that a disproportionately large part of onion futures buying and selling is pure speculation.

It may be argued that the complete prohibition of futures trading in onions is drastic action, and I agree that it is. But if trading in onion futures cannot be handled in such a way as to protect the interests of both the speculators and the onion producers—as apparently it cannot—then I submit that our interest should be to protect the growers of this commodity rather than the speculators.

Mr. Chairman, I now yield 5 minutes to the author of H. R. 376, the gentlewoman from Idaho [Mrs. PROST].

Mrs. PROST. Mr. Chairman, I wish to call to the attention of the Members of the House, the fact that my bill, H. R. 376, has the wholehearted support of at least 95 percent of the onion growers and shippers in the country.

I have no quarrel with the principle of futures trading. I am well aware of the fact that trading in storable, nonperishable commodities renders a real economic service. But futures trading in onions, because of the small volume and perishable nature of the crop is not an economic tool, but a gambling device for professional speculators.

Mr. Chairman, the onion industry is not seeking a subsidy or any other type of Government relief. Its members are simply asking to control their own product. They are requesting that they be freed of the menace of onion futures trading which has been forced upon them without their consent. They want to operate under the law of supply and demand—rather than under the feverish manipulations of speculators in a mercantile exchange hundreds of miles across the country. I do not think this is an unreasonable request. I am sure it is one that this body will recognize as wholly valid and honorable. I ask a favorable vote on the bill.

Mr. Chairman, when we allow trading in onion futures, we condone a practice which takes away from onion producers and shippers the right to control their

product, and keeps them from getting a decent return from their labors.

If trading in onion futures reduced the price of onions to the consumer, there might be some justification for it. But it does not. The only people who profit from it are the speculators on the Mercantile Exchange.

In Idaho, it costs about 60 cents to grow 50 pounds of field-run onions. The cost of sorting and packing them in a bag adds another 50 cents.

Since most onions cannot be sold immediately, they must be put in storage, and this costs around 20 cents for 50 pounds. Under normal conditions, transportation to Chicago costs about 80 cents a bag—freight rates have just been raised in my section of Idaho. This means there is at least \$2.10 actual cost in each bag of onions which must be gotten back before the farmer or the shipper can get a penny for his work.

This year there was a less than normal supply of onions on hand on December 1. Yet despite this fact, in December, January and the first half of February, speculation held the price of a fifty pound bag of onions down to between \$1.53 and \$1.85 on the Chicago Mercantile Exchange.

Since the cash price of onions is usually only about 20 to 30 cents higher than the Exchange price, this means that the price of onions during that period was less than the cost of their production. On the eleventh of last month, for example, the Board price was \$1.60. There was a time once in 1956 when it was driven down to 10 cents.

Now this wouldn't be so serious if onions could be stored in bulk in bins like corn or wheat—and held for a better price. But onions are expensive to store because they require around-the-clock care. They must be placed in open mesh bags or in shallow lugs such as those used for cherries or grapes. The warehouse must be kept at an even temperature, with electric fans circulating the air constantly. If the price doesn't go up in time, and the onions are left too long in storage, there is only one thing the producer can do. He must hire workers to haul the onions by truck and take them out and dump them—in Idaho they have been dumping them in the sagebrush.

It is hard enough when a grower has to dump onions because there has been overproduction—but it makes him pretty bitter when he has to do it because he and other growers do not have control of their own product due to maneuvering by speculators.

The Mercantile Exchange maintains that speculation has nothing to do with the price of onions—that when the price goes down it is simply because the growers have produced more onions than the market can absorb. I say this is tommyrot.

In 1957, the market was broken from \$2.20 down to 87 cents in a period of 3 weeks—in spite of the small supply of onions on hand. In 1956, as I have already mentioned, onions were listed at 10 cents a bag on the Chicago Mercantile Exchange Board on March 15. You cannot tell me that movements of

this sort are due to supply and demand.

Just a week ago we faced a ridiculous situation. In a 3-day period, 5,370 cars of onions were traded on the Mercantile Exchange when there were not to exceed 500 cars of onions on hand eligible for delivery to the exchange.

Let us look at what happened in Idaho in 1957 when the terrific break came. Physical onions were moving up in price, on a supply-and-demand basis.

The brokers were eager to buy, and the price was good. It looked like a good onion storage season, as there were no burdensome supplies on hand. Then in January and February, March futures prices went up to \$2.20. Within 3 weeks the bottom fell out and futures were forced down to 87 cents, as I have already related. The market was thrown into a turmoil.

And who suffered? The men who had put their time, toil, and sweat into the onion business. At the time of the break, the onion growers of Idaho and eastern Oregon had approximately 600 cars of onions on hand. The price declined about \$900 to \$1,200 a car. A conservative guess is that the break cost about half a million dollars to the growers of Idaho and eastern Oregon.

In an impartial report following this break, the Commodity Exchange Authority stated:

Price movements such as this cannot be justified by supply-and-demand factors, and must be attributed either to manipulative activity or, as appears to be the case in this instance, to a wave of excessive speculation.

Losses such as occurred in this 1957 break affect not only the onion grower, but the banker who holds his loans, the dealer who has sold him machinery, and the merchants and other establishments in the community which count on his business. The repercussions are felt all through an onion-growing area.

Mr. Chairman, in allowing trading in onion futures, we are condoning a practice which serves no useful purpose, and yet bleeds the onion industry of millions of dollars each year. Onions, as a small-volume, perishable crop, are not a suitable commodity for trading on a futures market.

Passage of this bill has been too long delayed. Action was held off in the 84th Congress because the 83d Congress had passed a measure which allowed the Mercantile Exchange to make some minor adjustments in onion futures contracts under the supervision of the CEA, and we wanted to allow the full effects of the changes to be felt. They did not correct the principal abuses which are causing the trouble. The disastrous break of 1957 occurred in spite of these rule changes and strong efforts at supervision.

Mr. Chairman, the onion industry is convinced that the only answer to their problem is complete abolishment of trading in onion futures.

This bill has the complete support of the National Onion Association, and is backed 100 percent by the Idaho Grower-Shippers Association, the Southwest Idaho Onion Growers Association, and the Malheur County Onion Growers Association, and many others.

Practically the only opposition to it comes from members of the Chicago Mercantile Exchange. If it were not for the exchange, the bill would have become law a long time ago.

The bills introduced in 1956 to eliminate futures trading in perishables and the present bills calling for the elimination of onion futures are the only bills in the history of the Congress which have dealt specifically with the elimination of a perishable commodity from organized futures trading.

There have been other bills designed to eliminate futures trading in the more stable commodities—but these bills have failed of passage because Congress recognized that trading in these commodities renders a vital service.

On the contrary, futures trading in onions renders no service. It is detrimental to the onion growers and shippers throughout the country. And it has developed such an unsavory reputation that it is discrediting in the eyes of the public the practice of futures trading in other commodities.

Onion futures trading is a case of the tail wagging the dog. It allows a small group of speculators to reap huge profits at the expense of the onion growers and shippers. And there are no benefits to the consumer. In 1956 fine onions were dumped on the market for as low as \$25 a car, and 10 to 15 cents a 50-pound bag, yet those same onions were selling here in retail stores for from 10 to 15 cents a pound.

It is high time we stopped futures trading in onions and gave back to onion growers and shippers the control over their own destiny.

The CHAIRMAN. The time of the gentlewoman from Idaho [Mrs. PFOST] has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentlewoman 5 additional minutes.

Mrs. PFOST. Thank you, Mr. Chairman. I hope I will not need it. But let me say that my onion growers do not claim that this legislation will cure all of their ills, but it will clear one of the most vicious roadblocks that they have to contend with today. It will remove a roadblock that will enable them to solve their own problems. Already in western Idaho and eastern Oregon our onion growers have been working on a constructive program that will give greater stability to their industry. They are now operating under a marketing order which is the first such program for the onion industry in the country.

Let me say again, the only thing that my onion growers and shippers desire is the privilege of allowing supply and demand to set the price. They will take over from there with their own marketing program.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. PFOST. I yield.

Mr. GROSS. I want to commend the gentlewoman for introducing this legislation and the committee for bringing it to the floor. The onion growers in the Third Congressional District of Iowa support this bill, and I support it in their behalf.

Mrs. PFOST. I thank you very much.

Mr. HOFFMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. PFOST. I yield.

Mr. HOFFMAN. I join in the statement made by the gentleman from Iowa. We grow a great many onions in Michigan. What is the difference between the onions we grow and these big Bermuda onions?

Mrs. PFOST. I understand that northern Texas grows a great many Bermuda onions. In Idaho we largely specialize in the sweet Spanish onions. The onions traded on the Mercantile Exchange are the Yellow Globe variety. They are smaller and hotter onions.

Mr. HOFFMAN. I hope the gentlewoman will not do anything that will keep our onions off the market.

Mrs. PFOST. Of course I would not.

Mr. HOFFMAN. We have a very sweet, mild onion.

Mrs. PFOST. All right; we will have to see that the gentleman tastes one of Idaho's large, juicy, sweet Spanish onions. It is the best.

Mr. HOFFMAN. I thank the gentlewoman. Perhaps she better send a sack for the House restaurant.

Mrs. PFOST. I will do it.

Mr. Chairman, I yield back the balance of my time.

Mr. HILL. Mr. Chairman, I yield myself such time as I may use.

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I support this legislation, H. R. 376. After extensive hearings in 1957 our Committee on Agriculture supported this resolution amending the Commodity Exchange Act prohibiting trading in onion futures.

Testimony given to our committee indicated that there are no other vegetables except potatoes traded in this manner.

This legislation was stimulated by action in trading in onions futures about February 1, 1957, to February 25, which sent the price rocketing to a \$2.20 per 50-pound sack on February 4, March onions futures, and then a drop to \$0.87 for the price of a 50-pound sack of onions by February 25, clearly a demonstration of what futures tradings can actually do to perishables that do not belong in futures markets operations.

The hearings on H. R. 376 were full and complete. Proponents and opponents were given ample opportunity to express themselves. More than 40 witnesses appeared before our committee.

The members of the Committee on Agriculture handling this resolution were interested in the producers of onions and in the stabilization of the prices paid to the producers. Usually onion growers do not trade in the futures market, and therefore they have little or no opportunity to hedge on the sale of their crops but must take what is offered to them when they present their commodity to the market places.

From the testimony of the onion growers from many and widespread onion-producing sections—Colorado, Texas, Michigan, Minnesota, New York, Indiana, Illinois, Oregon, Wisconsin, Idaho, and many others—our conclu-

sions were that this is necessary legislation.

In closing may I call your attention to our Committee Report No. 1036, 85th Congress, 1st session, at the bottom of page 2 and continuing to the middle of page 3. You will find this interesting reading and I am sure will convince anyone of a doubtful mind that this bill, H. R. 376, is necessary corrective legislation.

Mr. Chairman, may I include in my remarks a number of wires and letters from producers of onions in Colorado as well as a letter from the American Farm Bureau Federation, supporting this bill.

The telegrams and letters follow:

DENVER, COLO., March 4, 1958.
Representative WILLIAM S. HILL,
House Office Building,

Washington, D. C.:

BILL, may we urge you to support H. R. 376, which prohibits trading in onion futures on various commodity exchanges. We would also like to see Irish potatoes included by amendment. Trading in futures has definitely hurt the onion and potato market and farmers have suffered loss of income as a result.

LLOYD SOMMERVILLE,
President, Colorado Farm Bureau.

FORT LUPTON, COLO., January 22, 1958.
WILLIAM S. HILL,
House of Representatives,

Washington, D. C.:

Please prevent House bill 376 from returning to committee as dealers and growers of onions. This bill needs passage for good of agriculture.

Thanking you,

D. K. PENFOLD,
Fort Lupton Produce Co.

ROCKY FORD, COLO., January 22, 1958.
Representative WILLIAM S. HILL,
House of Representatives,

Washington, D. C.:

Colorado Growers and Shippers Association meeting yesterday vote thanks for your past support on H. R. 376 to eliminate futures trading in onions. Advised COOLEY may return H. R. 376 to committee. Urge prevention of return to committee and push for early floor vote. Broker opposition strong.

ERNEST R. CAMPBELL,
President, Colorado Growers and
Shippers Association.

PUEBLO, COLO., February 11, 1958.
Representative WILLIAM S. HILL,
Washington, D. C.:

We have urged J. W. Rose of National Onion Association to contact you this week to secure immediate action on onion legislation H. R. 376, S. 778, S. 1514. We ask that you make every effort to abolish onion futures.

Thanks,

CIRULI BROTHERS.

COLORADO POTATO GROWERS EXCHANGE,
Denver, Colo., January 22, 1958.
The Honorable WILLIAM S. HILL,
House of Representatives,

Washington, D. C.

MY DEAR MR. HILL: Much has been said and written about trading in onion futures in recent years, both for and against the practice. It is our firm belief that there is more to be said against the practice than for it. Accordingly, Colorado Potato Growers Exchange has gone on record many times opposing trading in onion futures.

As evidence of what can happen and how dangerous it is to the onion industry we quote from the latest newsletter of the National Onion Association, of East Lansing,

Mich.: "When the futures market was broken from \$2.20 to 85 cents in 3 weeks' time last February one Congressman reversed his stand on the onion bills with the statement that no commodity in which this could happen belongs on the futures market."

We believe you are aware that Colorado Potato Growers Exchange speaks for some 2,000 growers in Colorado, of which probably 25 percent are onion growers. These growers are vitally interested in these bills that are now before Congress, and they sincerely urge that you support H. R. 376, S. 778, and S. 1514.

Thanking you for your action, we are,
Sincerely yours,

W. W. DAVIS,
General Manager.

STATE OF COLORADO,
COLORADO DEPARTMENT OF AGRICULTURE,
Denver, Colo., April 5, 1957.

Hon. WILLIAM S. HILL,
Member of Congress,
House Office Building,

Washington, D. C.

DEAR MR. HILL: A few years ago the Mercantile Exchange started futures trading on onions. We have had the opportunity to observe the effect of this procedure upon our onion industry in Colorado and there is no doubt that this procedure has been detrimental to this large industry. Through the manipulation of market prices due to futures trading, a very unstable price situation has been created, particularly at the shipping point. The old law of supply and demand cannot operate as it should, consequently the producer cannot plan his production and marketing as he would on a free market.

This practice, causing unnatural price fluctuation on the market, has caused many onion producers in our State to discontinue the production of onions. When you realize Colorado is the third State in the United States so far as late onion production is concerned, you can readily realize the importance of the practice of futures trading or any other practice that tends to create an unstable market for onions.

I understand that there are three bills in Congress at the present time to remove onions from futures trading on the Mercantile Exchange:

H. R. 1933 by Representative GERALD FORD, of Michigan.

H. R. 1935 by Representative ROBERT GRIFIN, of Michigan.

H. R. 376 by Representative GRACIE PFOST, of Idaho.

S. 778 by Senator RICHARD L. NEUBERGER, of Oregon.

I urge you to do what you can to see that legislation is passed to remove onions from the futures trading on the Mercantile Exchange. I am sure if you can get this done, you will have rendered this large agricultural industry in Colorado a great service.

Sincerely yours,

PAUL W. SWISHER,
Commissioner.

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., July 30, 1957.

Hon. WILLIAM S. HILL,
House of Representatives,

Washington, D. C.

DEAR CONGRESSMAN HILL: Recently the Domestic Marketing Subcommittee of the House Committee on Agriculture favorably reported H. R. 376. This legislation would prohibit trading in onion-futures on the various commodity exchanges. The American Farm Bureau Federation for several years has supported the elimination of onion-futures trading.

Earlier this year we outlined our reasons for recommending the elimination of onion-futures trading to this subcommittee. They are as follows:

1. Onions by their very nature are perishable commodities. They cannot be stored for an unlimited length of time and only limited processing is involved. This situation is quite different from wheat, corn, and other storable commodities where the futures market performs a valuable role since hedging provides price risk insurance. Futures trading in these storable commodities serves an important function because of the considerable amount of processing that occurs in marketing. This is quite different from onions which, having only limited processing, move from producer to consumer in virtually the same form. Because of their perishability and lack of processing, we do not believe that onions lend themselves to sound futures trading.

2. The volume of onions that is involved in futures trading is relatively small, thus providing the opportunity for sharp price fluctuation and the facilitating of price manipulations.

There has been some concern that the elimination of onion-futures trading might lead to the elimination of futures trading in other commodities such as cotton and wheat. As far as the American Farm Bureau is concerned, we believe the futures trading situation is entirely different in these commodities than in the perishable commodities.

We would appreciate your support of the legislation to eliminate onion-futures trading.

Sincerely yours,

JOHN C. DATT,
Assistant Legislative Director.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HOFFMAN. Will the gentleman read this telegram into the RECORD for me?

Mr. HILL. I shall be pleased to. The telegram reads as follows. It is from the Dan E. Reed, Michigan Farm Bureau:

We understand H. R. 376 to prohibit future trading in onions on commodity exchanges will be debated on the House floor March 13 trading in future contracts on onions has operated against the best interest of producers and consumers. The comparatively small volume of production and the perishability of the product make possible price manipulations which do not reflect supply and demand. Michigan Farm Bureau supports this bill in line with resolution adopted last November. Also request your support for amendment which will be offered to also eliminate potatoe future trading.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield further?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. HOFFMAN. We do not grow all our onions on ordinary land, on sand, or in heavy clay land, but we do grow thousands of sacks, hundreds of pounds of them on muck land. This involves a very difficult and laborious operation. You get down on your knees to weed and take care of them all through the season. Then when the onions get ready for market, and finally on the market, we find these fellows over in Chicago reaping most of the benefit. I received a telegram which came to me last week from an onion grower I have known for some 30 years in which he said:

I just heard over the radio that I was shipping several carloads of onions to the Chicago market.

He said:

I have not even thought of shipping onions at this time.

He said:

What they are doing over there is making that announcement to bring down the price to break the market. It is a lie from beginning to end. It was made to affect the price so they can make more money.

The grower and his family who plant the onions, weed them, and get them ready for market, pay operating expenses, do not get the money. It is those city slickers in Chicago who manipulate the market who receive the profit and without having put out any manual effort.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I want to commend my colleague from Colorado [Mr. HILL] on his very splendid statement. I represent one of the large onion producing areas and I have received numerous requests to support this legislation. The onion growers of my district are unanimous in their support of this legislation. I hope this bill prohibiting futures trading in onions will be passed. I feel that the passage of this measure will benefit the onion growers of this country and I am happy to give this bill my full support.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. TABER. I find that our farmers in New York are having a very difficult time on account of this price juggling business which this bill I understand is designed to stop, and I hope it will pass.

Mr. HILL. I thank the gentleman for his contribution.

(Mr. KEATING asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. KEATING. Mr. Chairman, H. R. 376 is a soundly conceived means of providing protection for the average onion producer. The situation which currently exists in the onion industry is not a healthy one. The relatively small market, combined with the perishable nature of the product, has resulted in sudden and precipitous changes in prices. These changes place an unwholesome burden on the average grower.

This bill would eliminate futures trading in onions, the practice responsible for these drastic fluctuations. Presently, prices on the Exchange have been known to drop from \$2.20 to \$.85 in a matter of minutes, thus placing great pressure on the individual producer. In effect, the present setup gives the industry nothing more than a chance to gamble. In case after case a few operators have been able to start rumors of heavy supplies forthcoming which have unnaturally depressed the price structure to the detriment of the average producer. Faced with this pressure he has been forced to sell at diminished prices.

Mr. Chairman, there is strong support, from those most directly concerned, for this measure. C. K. Bullock, director of the commodity department of the New York State Farm Bureau, has informed me that the farm bureau late last year unanimously adopted a resolution calling for the abolishment of futures trading in onions. Isaac Dehollander, president of the Oswego, N. Y., County Farm Bureau and Oswego Vegetable Growers Association, has written me urging support of this principle. Other leading groups, such as the National Onion Association, favor passage of this bill.

In addition, it has the backing of the Department of Agriculture.

Inasmuch as the overwhelming evidence indicates futures trading is a decided burden on the onion industry and is of benefit only to a very few large operators, I urge passage of H. R. 376 as insurance for a stable and vigorous onion industry.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, I rise in support of H. R. 376, a bill to eliminate onions from futures trading on commodity exchanges. This legislation has become necessary to return the onion market to a condition governed by supply and demand rather than by the maneuvered gyrations of a system dealing in highly speculative paper contracts.

Futures trading in onions does not and has not provided a market for actual onions. According to reports of the Commodity Exchange Authority, that division of the Department of Agriculture charged with supervision of Commodity Exchanges, more than 95 percent of all contracts on the onion futures market are speculation. Very little if any buying of onion futures is done with the idea of hedging. The buyer of an onion futures contract does not want any onions and never expects to get any. The average contract buyer has nothing to do with the onion business. Usually, the most unfortunate development for him is to have the actual onions for which he contracts delivered to him.

On the other hand less than 5 percent of the contracts to sell onions are made by legitimate onion growers, farmers who are growing onions as part of our national food supply. Ninety percent of those selling contracts to deliver onions at some future date do not have any onions and never expect to deliver any. They are not onion growers nor are they dealers in actual onions.

Throughout the 1956-57 season, the entire late summer and fall onion crop, the crop which largely involved in futures trading, was approximately 51,000 carloads. Spring and summer onion crops would add at least another 20,000 cars. Yet only 615 carloads of actual onions were handled through the Chicago Mercantile Exchange, not over 1 percent of the total onions marketed. Most of this 615 cars were delivered as

a tool used to depress onion prices rather than to market needs.

Futures trading in onions, unlike futures markets in other large volume staple commodities, renders no service of any kind. It is in no sense a market for actual onions. The actual onion crop is marketed through normal produce trade channels just as are apples, citrus, lettuce, and other produce items. The big difference is that the onion prices are not established as true supply and demand conditions but are constantly disrupted and depressed by the influence of the maneuvered paper trading of onion futures markets.

Onion growers and shippers have seen their markets depressed, all chance of a fair return, even cost of production, wiped out for several years. Trading rules have been changed, the C. E. A. has attempted to control through supervision, but the evil effects remain.

I strongly urge passage of the legislation so important to the protection of a segment of our agriculture.

(Mr. CEDERBERG asked and was given permission to revise and extend his remarks.)

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. TEAGUE of California. I should like to join the gentleman in support of this bill. I have been informed by the California Farm Bureau and the Director of Agriculture of the State of California that that organization and that official also support this bill.

(Mr. TEAGUE of California asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. MCINTIRE].

Mr. MCINTIRE. Mr. Chairman, I am very much in favor of this legislation and if I have adequate time I want to get a little background in this discussion today to advise the committee of just the amount of work that has been done to bring this legislation to your attention.

First, let me say this bill is not directed at futures trading in principle. It is only directed to futures trading in the only two perishable commodities which are now traded on the board; namely, onions, and, as far as this bill is concerned and in the background of some of the hearings and legislative preparation for this bill, in relation to futures trading on potatoes. Let me say that this is no attempt at all or in any respect to involve the issue of futures trading in relation to any other commodity that is now being traded on any of the mercantile boards.

Let me give you a bit of the background relative to this legislation. The chairman of our committee has touched on it but I want to go into it in a little more detail.

This futures trading in onions was instituted by the Chicago Mercantile Exchange in 1942 and most of the trading in onion futures is still conducted by that exchange. I am bringing into this discussion potatoes for the reason that a great deal of our hearings and legislative work was done on both com-

modities, so my remarks will cover both in certain respects.

Futures trading in potatoes was initiated by the Chicago Mercantile Exchange in 1931 and by the New York Mercantile Exchange in December of 1941. Virtually all of the trading in potatoes is done on the New York Exchange and is concerned exclusively with Maine potatoes. The Chicago Mercantile Exchange has a futures contract for Idaho potatoes which has seen very little activity in recent years. Potatoes were included in those commodities subject to the jurisdiction of the Commodity Exchange Authority in the general revision of the Commodity Exchange Act in 1936. Trading in potato futures has been under scrutiny and regulation of the Commodity Exchange Authority since that time. Authority to exercise control over trading in onions was not conferred on the Commodity Exchange Authority until September 1955.

Potato and onion producers have, for a long time, been concerned about the degree of influence which Mercantile Exchange activities—in New York and Chicago—exert on the market price of the commodities they produce. These industry groups have, on many occasions, gathered together in well-attended meetings to express their concern and to explore the possibility of laying it to rest. This concern became so intensified in the State of Maine that, on May 5, 1955, Congressman MCINTIRE received a joint resolution from his State's legislature memorializing the Congress to effect an investigation of Mercantile Exchange operations.

In the interests of such concern Congressman MCINTIRE, under date of May 12, 1955, directed a memorandum to the Honorable HAROLD D. COOLEY, chairman of the House Committee on Agriculture, recommending that an investigation be instituted to determine the extent to which Mercantile Exchange activities influenced the market prices of Irish potatoes and onions.

On October 27, 1955, Chairman COOLEY appointed a Subcommittee on Futures Trading in Perishable Commodities. The chairman instructed this committee that it was not to devote its attention solely to the investigation of any alleged manipulation of the futures markets but, rather, to carry out a constructive study of the effect of futures trading on the supplies and prices of onions and potatoes.

The especially selected subcommittee conducted hearings at Presque Isle, Maine, on December 6 and 7, 1955; at Chicago, Ill., March 24, 1956; and in Washington, D. C., on May 16, 17, 18, and 22, 1956.

Now, Mr. Chairman, that is the background of this legislation which is before us today. The bill which is before us deals with onions, and I shall offer an amendment at a later time to expand the area of its application to include Irish potatoes. This legislation has had a very complete background of study on the part of our subcommittee and our full committee and deserves your favorable consideration today.

(Mr. BENTLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BENTLEY. Mr. Chairman, I rise in support of H. R. 376, a bill to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

I have had a great deal of correspondence on this legislation from my congressional district and State for the past several years. At this time I would like to read excerpts from some of the letters I have received in this connection:

The onion and potato growers are faced with the problem of futures trading. This speculation in such a highly perishable commodity is resulting in overproduction, and last-year potatoes, this-year onions, are selling below production cost. Neither onions nor potatoes lend themselves to a good trading commodity because of their perishable characteristics and sensitivity to weather changes.

Operators on the exchange finance many grower deals and thus add acreage that otherwise would never be grown. Their operations result in burdensome accumulations at delivery time. The onions and potatoes that are delivered sit around on trucks or are kept in cold storage, and eventually this stale stock is pitched back into consumer channels in competition with fresh-packed, high-quality merchandise. The entire operation disrupts the orderly movement of onions and potatoes to the trade, thus demoralizing the price scale of an otherwise stable market. (From Howard P. Dunlap, Marshall, Mich.)

Please do all in your power to abolish futures trading of onions. (From Mrs. Joe Ludem, Clarksville, Mich.)

We all oppose the trading of onions on any futures market. (From Lee Frisbie, Sidney, Mich.)

Please put this bill through. (From Brink Boithouse, Ionia, Mich.)

I would appreciate whatever you can do to help the onion farmer to get rid of the Onion Board of Trade in Chicago. (From W. J. Williamson, Edmore, Mich.)

* * * our dissatisfaction of having the futures of onions continued on the Mercantile Exchange, which we feel is a major detriment to the onion industry. (From Paul Cahoon, Saranac, Mich.)

Mr. Chairman, there appears to be no question in my mind that an overwhelming majority of onion growers, shippers, and receivers favor the passage of this legislation. Our national onion crop is not only small in size but also highly perishable in nature. These factors have made it possible to manipulate the onion futures market in such a way that futures trading has been discredited as a marketing device. If this trading continues, I believe that many commercial growers will be eliminated and those who continue in business will continue to be the victims of a marketing system which may have value in dealing with nonperishable commodities but which is strictly inapplicable to onions.

According to the commodity exchange authority of the Department of Agriculture, Michigan has more traders on the Chicago Mercantile Exchange than any other area except Chicago itself. According to Mr. Alfred M. Chickering, of Belding, Mich., there has been obvious manipulation on the exchange. Since this practice contributes nothing to the onion industry except an opportunity to gamble, I feel it should be eliminated. I

am, therefore, supporting legislation to forbid onion futures trading on our commodity exchange.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Chairman, by the very presentation made here there is an obvious misapprehension and a very obvious mistake of facts. My learned chairman, for whom I have the highest respect—and, incidentally, this is the first time that I must oppose him—said that there was unanimity when this bill was reported from the House Agriculture Committee. There was no such thing. The subcommittee of which I am a member only reported it out by a vote of 3 to 2.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from North Carolina.

Mr. COOLEY. I said my recollection was that it was almost unanimous. I accept the gentleman's statement, because he is more familiar with the subcommittee's activities than I am. The fact is that there certainly was no formal opposition in the full committee.

Mr. ANFUSO. I thank the gentleman. I knew you would not have made that statement unless you labored under a misapprehension of the facts.

Mr. Chairman, I know that I am appealing at this moment to a very small group of the House, but I know that both you on the Republican side and on the Democratic side must admit that I have tried to help in every way I could the farmers of our country, because I sincerely believe that the farmers of our country are hard-working people and, like the rest of the people, are entitled to receive a fair return from the fruits of their labors. But this legislation helps no one. This legislation helps neither the farmer nor the consumer. This was the conclusion reached by the man who administers the act. Mr. Kauffman, who administers this act, said in giving his conclusions to the subcommittee:

Substantial evidence has not been found to support a finding that the average crop-year prices received by farmers have been materially affected by futures trading.

Since 1880 more than 200 bills of this kind have been introduced to eliminate futures trading. Every time there were falling prices the market was blamed. It is the same today. A respected Member of this House said that anyone who opposed this bill was a city slicker. I resent that. If I am a city slicker, I want that gentleman to know that I have supported more farm legislation since I have been in Congress than he has.

When you blame falling prices on the market, it is just like blaming the thermometer for cold weather. Congress has always seen through this type of legislation and none of the 200 bills that were introduced passed. I am sure this bill will have the same fate.

I have received correspondence, not from city slickers, but from farmers who want to trade on the market. I have received correspondence from some of our trade institutions in New York, in

Chicago, and elsewhere who are dependent for their livelihood upon the market. These are business people, hundreds of them, employing hundreds of thousands of people, human beings, who are opposed to this legislation.

As the chairman of the Chicago market said:

You will soon be voting on the onion bill which has for its purpose the destruction of futures trading in onions. Although this bill appears inconsequential it involves a principle, and this is the principle you must understand. It involves the principle of free trading which you are trying to kill.

It involves the principle of contract. It violates the Constitution of the United States and at the proper time I shall make a motion to that effect.

The law applicable to onions has not been given a chance. This law which you are called upon now to change has not even been given a chance to be administered. So says the Department of Agriculture. It was placed under their jurisdiction only in 1955 and here you are trying to kill it. You are trying to prevent the right of contract, the right which every human being is entitled to have, put hundreds of people out of work merely because someone says there is something wrong with this market. There is nothing wrong. In one case where something wrong was found, a prosecution has already been brought.

You can regulate, surely; but you cannot prohibit. That I think is the Constitution of the United States.

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. TEWES].

(Mr. TEWES asked and was given permission to revise and extend his remarks.)

Mr. TEWES. Mr. Chairman, frequently complex matters come before us on legislation which has not received national publicity. This measure is such a one. We are asked really to choose between two existing and legitimate businesses. On the one hand is the farmer who produces onions for the market. On the other hand is the man who buys futures in onions.

For the benefit of those who have expressed to me some doubt about the meaning of that latter phrase, let me say briefly that a future is simply a contract between two individuals; one offers to sell onions at a future date, at a specified price. The other offers to buy those onions at a future date at a specified price. Their contract, speculative in nature, is a legitimate business under the laws of the United States. However, it has practically nothing to do with the production and the growing of onions.

It would seem wise that those two businesses be permitted to exist side by side unless one infringes on the rights of the other. After considerable study of this matter, I have concluded that the business of buying and selling contracts in onions substantially influences adversely the farmer who grows onions.

The advantage of having futures markets in any commodity, and I want to emphasize today that we are speaking only about onions, is that these contracts give the farmer some idea of what the

price of his product may be in the future. It also gives an opportunity to hedge part of his product. Technically, this means that the farmer who puts onions into the ground may decide that he wants to sell part of those onions at a specified price before he has produced them. In commodities such as cotton and wheat the advantages of this futures marketing are substantial. In the case of onions, however, we have a perishable product and a market which is small in nature. Consequently, the sales price of futures will violently fluctuate and adversely affect the cash price the farmer receives. Because of these violent fluctuations the farmer, who actually has nothing to do with the contracts for the sale of onions, sees his prices decline. The farmer, who is normally pitting himself against the elements and the competition of other farmers, suddenly has to contend with a device over which he has no control and with which he is not able to cope, namely, the futures prices of onions.

I recognize that this is prohibiting a heretofore legitimate field of endeavor.

But if I must make a choice between the farmer who grows onions and the speculator who buys and sells futures contracts, that choice will be made in behalf of the farmer. That is the choice you will make here today.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. TEWES. I yield to the gentleman from Connecticut.

Mr. MORANO. I have heard the gentleman's discussion of this problem, but there is one point I should like to have cleared up. May I ask the distinguished gentleman where the consumer comes out in all this?

Mr. TEWES. The consumer is actually adversely affected in the case of onions by futures trading.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, I appeal to the Members to support this legislation. Malheur County, in my district, is the second largest onion-producing county in the United States. The onion producers in my district, several hundred of them, are ordinary farmers faced with a problem requiring legislative action.

It costs about \$500 to put in an acre of onions in Malheur County, so farmers there have a large investment in whatever planting they make each year. After the market had broken from several dollars down to 10 cents a couple of times, my farmers got together and started a study of this whole problem of marketing onions.

They made an exhaustive study of this problem and unanimously—and this is unanimous among all of the producers of onions in my district—reached the conclusion that the greatest obstacle to orderly marketing in onions is this business of futures trading. Now, my farmers are not the kind of farmers who can get up at 5 o'clock in the morning and go out and work in the fields and then come in at noon and put on their striped pants and go down to the brokers and

hedge on futures. My farmers are representative of small farmers, I think, throughout the country.

I think we should bear in mind two important facts. One is that this is a perishable commodity. There are only two perishable commodities being traded today on the board—onions and potatoes. The other fact we should bear in mind is that this is a commodity with a very limited production which makes it susceptible to the very worst features of speculative trading.

Here in Congress we talk a good deal about helping the farmers. Here we have a real opportunity to help the farmers in this country who want to help themselves. I urge your support of this important bill.

(Mr. ASPINALL (at the request of Mr. ULLMAN) was granted permission to extend his remarks at this point.)

Mr. ASPINALL. Mr. Chairman, I rise in support of the legislation to prohibit futures trading in onions. I do not wish to pose as an expert on this subject. I realize that this is a complex matter and that reasonable men may differ on the benefits of such operation. However, I do know that onions are an important cash crop in western Colorado, and I know that the men who must live with this problem in their occupation, that is, the individual onion growers, are almost unanimous in their opposition to futures trading in onions. The major support for the futures market comes, not surprisingly, from those who are active in that market and who have their interest in its operation rather than in the direct production or sale of onions.

Frankly, Mr. Chairman, I have always been a bit suspicious of anyone who made his area of operation that of buying and selling paper or rights representing something in which he had no actual interest. Thus, great numbers who deal in the futures market for onions have no interest in onions as a product of the soil or of a man's labor. Neither do they have an interest in the sale or consumption of that product to the consumer. Their interest is solely that of price change—not even price as such, because without change in price of appreciable amount there is no room to move in and out of the market in hope of advantage.

In matters such as we are considering today, I believe we should give considerable weight to the views of those whose livelihood is most directly affected—in this case, that means the farmer who produces onions commercially on his land. In my district, one such farmer is Mr. E. A. Bay, of Olathe, Colo. Mr. Bay has a background of 38 years in the onion industry, including the last 12 years in which he has lived through the period of futures trading in onions and has had ample opportunity to appraise its effects on the individual grower. He is unalterably opposed to futures trading on the grounds that it disrupts orderly marketing of the crop and leaves the growers at the mercy of market manipulators.

I have also received information from onion growers in other parts of the country, men who have spent a lifetime in the industry. They tell me that in some areas it costs the grower an average of \$500 per acre to raise onions. They invest

this amount in their crop, only to have manipulators from Chicago, New York, and Boston step in with huge sums of money year after year on the Chicago Mercantile Exchange and sell the market down to less than the cost of production.

The individual onion growers have no quarrel with the basic principle of futures trading in those commodities which are adaptable to such trading. Onions, however, are not adaptable to futures trading—it is a highly perishable crop; the crop is small in volume; and it is not a crop which is purchased in large quantities for processing.

These individual growers are not asking for any money from the Government. They are only asking for an opportunity to farm onions, to farm a crop that they are trained for, that they have the equipment and warehouses for. They want a chance to solve their own problems in the production and distribution of onions.

Mr. Chairman, futures trading in onions appears to serve no useful purpose. As presently practiced, it does apparently tend to work a hardship on those who are most vitally affected—the men who actually produce the crops. I urge the Members to support this legislation which would prohibit futures trading in onions.

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. OSTERTAG].

(Mr. OSTERTAG asked and was given permission to revise and extend his remarks.)

Mr. OSTERTAG. Mr. Chairman, I should like to speak in support of H. R. 376, a bill which will remove an unnatural, unwanted, and unjustifiable burden from the onion growing industry of our country. This burden is caused by trading in onion futures on mercantile exchanges, a practice which is seriously disrupting the onion industry and threatens to make it a hazardous, speculative venture, rather than a stable business.

New York State is the second largest onion-producing State in the Nation. A large part of the New York crop is produced in the district which I represent in western New York. There are some 6,000 acres of rich, onion-producing muckland in my district and many of these farms have been cultivated heavily by the same families for generations.

These onion growers have expressed themselves as almost unanimously opposed to futures trading in onions. They have concluded, after 15 years of experience with the practice, that futures trading has consistently depressed the price of their product and has disrupted the orderly marketing of their product. They thereby have been deprived of millions of dollars of income. That, Mr. Chairman, is the overwhelming opinion of the onion producers, the people who are the heart of the onion industry.

Now, the advocates of futures trading in onions say, that the practice improves the marketing of onions and affords price protection for the producers through hedging opportunities. But the producers, themselves, who supposedly are to receive these benefits, say that 15

years experience with futures trading has brought them nothing but grief. Nor has it brought any benefits to the consumer.

The Subcommittee on Futures Trading in Perishable Commodities of the Committee on Agriculture has reported that very few of the onion producers are able to use the hedging opportunities because of the large cash requirements. The subcommittee reported also that, as a practical matter, hedging is beyond the reach of most of the producers and of very little value to them. This conclusion is supported also by the Commodity Exchange Authority of the Department of Agriculture.

I would like to make clear what this group of farmers is asking us to do. Or better, let me first point out what they are not asking. They are not asking for financial grants from the Government. They are not asking for price supports. They are not asking for guaranteed markets or income. What they are asking is only that they be permitted to return to selling their product in a free market—that is, a market which responds to the influences of supply and demand, and not one that is dominated by artificial manipulations of futures traders, whose only dealings with onions are on paper or in hamburgers.

Unfortunately, the onion market is particularly susceptible to manipulation by traders. It differs greatly from the market in basic crops like wheat and cotton, for example. It is easily manipulated because the onion crop is so small—only a fraction of one of the basic crops—because onions are perishable, not suitable for a long period of storage; and because the onion season is very short.

This manipulating is seriously undermining the financial status of an admirable segment of our farm population. It is providing no compensatory benefit or service to other elements of our society. It is my earnest and sincere hope that the House will vote favorably on this legislation to eliminate futures trading in onions and the abuses which accompany it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I am happy to yield to the gentleman from Indiana.

Mr. HALLECK. I would like to say at the outset that almost 50 years ago I worked as an onion weeder for Alf Donnell who had the Globe onion farm near my hometown in Indiana, and I have followed the industry ever since that time. As I have watched it operate I am thoroughly convinced that before futures trading was instituted the producer of onions did much better in his production and in his price than he has since that time. I would like to associate myself with what the gentleman has said and to express the views of the people that I represent in my district in Indiana and to express the hope with the gentleman that this bill will be passed.

Mr. OSTERTAG. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. KILGORE].

(Mr. KILGORE asked and was granted permission to revise and extend his remarks.)

Mr. KILGORE. Mr. Chairman, first I want to express my appreciation and that of the onion producers in my district to the Committee on Agriculture for having reported this bill. I find that the producers of onions, as far as I can determine in my State, are unanimous in support of this legislation. The production of onions is not a small item in the United States. The figures for the last year which I could obtain, 1955, indicate that onions ranked fifth in commercial value of the vegetable crops produced in the United States; that they are produced in a total of some 28 States; that they had a retail value in that same year of something in excess of \$167 million, and that their return to the farmers in that same year was in the vicinity of \$55 million.

The gentleman from Wisconsin [Mr. TEWES] has very well analyzed this situation. Essentially, I think he has brought it into perspective. This is a situation in which two legitimate businesses have not been able to operate together. The producers of onions believe that the operation of the commodity exchange has been materially detrimental to the marketing of onions. In their opinion it has resulted in a considerable loss of price and loss of benefit in the sale of their crops. Under those circumstances, I think it is proper that there be an infringement by the Congress by statute on the operation of the commodity exchange by reason of the situation of incompatibility of these two operations to be carried on concurrently. It is because of that situation that the producers in my area support this legislation.

Mr. HOEVEN. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, I am particularly interested in this legislation to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges. I urge most earnestly that the House act affirmatively on H. R. 376 this afternoon.

Two years ago I began to receive many letters from onion growers in my district urging my support of Representative Karl King's bill to prohibit futures trading in onions. Writer after writer pointed out the evils of the present system and advocated its elimination. These were growers and dealers in onions, one with a seat on the Chicago Mercantile Exchange. One of these growers, Mr. Jack Nyenhuis, 8341 Cottonwood Drive, Jenison, Mich., wrote:

As an onion grower I feel that futures trading of onions is very detrimental to onion industry. Therefore please support bills H. R. 7920 and S. 3204 to abolish futures trading of onions, potatoes, etc.

Reasons:

1. Futures trading of onions lead to extremes so rapidly that actual onion growers, shippers, never receive full benefits of the highest prices.

2. Futures trading creates congestion on certain markets that depress prices across the Nation.

3. Futures trading has not helped in any way to promote sale or consumption of actual onions (which is supposed to be the reason of its existence.)

4. Futures traded onions which are delivered have greater cost because of longer distance traveled, brokerage, etc.

5. Futures trading does not distinguish quality of onions from different sections of the Nation which is done on a cash onion market.

6. Many more reasons can be advanced for and against but we all know things may work on paper and not in practice which is the case of futures trading of onions for a grower.

As I traveled about my district following adjournment I found a general agreement among growers and dealers that something must be done to help the onion market. Most of my interested constituents agreed that trading in onion futures should be prohibited. Consequently, on January 5, 1957, I introduced H. R. 1933, a bill identical to H. R. 376 presently before us.

On February 2, 1957, I received a letter from Mr. Robert S. De Bruyn of the De Bruyn Seed & Produce Co. of Zeeland, Mich., in reference to this legislation. Mr. De Bruyn is not only a grower and shipper of onions, but was at that time mayor of Zeeland and holds a seat on the Chicago Mercantile Exchange. He wrote:

Your letter regarding H. R. 1933 arrived while I was in Texas and I am sorry my answer has been delayed.

During the past year futures trading in onions has been regulated by Commodities Exchange Authority and the situation is much improved. I have opposed futures trading for many years, and I feel that in spite of the elimination of some of the worst evils that our only hope is to go all the way and prohibit all futures trading in onions. I know that your definite action in this matter is appreciated by the farmers in your district. I just hope that they will be as aggressive in supporting your bill when it comes up for hearing as they were last year when the Mercantile Exchange was not regulated.

I understand Congresswoman GRACIE PFOST from Idaho, has introduced a similar bill, and Mr. Charlie Burns, a large Idaho shipper, has assured me of very active support from the Idaho growers and shippers.

I want to reiterate that the writer of that letter has a seat on the Chicago Mercantile Exchange.

Mr. Abe Elenbass, another grower living in my district, in a letter to me of February 25, 1957, said:

In regard to the position of the onion growers' situation, conditions are not too good. I have grown 15 acres of onions in 1956, and am very disappointed with the onion futures market. It seems that the natural laws of supply and demand are curtailed. This group of operators can swing the market any way they see fit for their own interests, namely, to make money, not considering the farmer.

At present the onion growers don't know whether to continue or not, some of my neighbors are quitting—they are broke—not because they like to. I know of one who has a seat on the board, which costs him \$7,500 a year. Naturally, he does not pay for this with his own money. It comes from the grower. One other buyer does not grow 1 onion, made \$5,000 in the last 2 weeks, which

is more than I made all last summer raising 15 acres. These practices are unfair and should be outlawed. I am asking you to consider the onion futures bill, H. R. 376, sent in by Congresswoman GRACIE PFOST, of Idaho, submitted to Agriculture Committee in Congress. Please give this your careful consideration, as this is urgent.

Thanking you kindly.
Sincerely.

Georgetown Township, in Ottawa County, Mich., is the home of a number of onion growers. Sixteen of these growers signed and addressed to me a petition in the early part of March 1957. The petition lists seven reasons why these growers believe futures trading is harmful. The petition follows:

We, a community group of Georgetown Township, would urge you to do everything possible to prohibit future trading of onions on the Mercantile Exchange.

As growers, etc., having firsthand contact with the industry, know future trading is harmful because:

1. Increases overproduction.
2. Hurts cash onion markets.
3. Creates harmful extremes.
4. Floods certain sections of country with onions.
5. Discourages cash onion speculation.
6. Reacts too fast for farmers to benefit.
7. Discourages orderly marketing of onions.

Thanking you, we ask you to support bills

H. R. 376, H. R. 1933, H. R. 1935, S. 778.

Jacob Nyenhuis, Peter J. Elenbass, Louis Vlodink, Jenison, Mich.; John Betten, Henry Gemmen, Hudsonville, Mich.; Frank Gort, Grandville, Mich.; Fred Abel, Rhoda Abel, Hudsonville, Mich.

I have mentioned only some of the letters and petitions received from residents of the two counties in my congressional district. Other growers from Michigan and many other States have written to express the same opinion and point up the same problem.

The Committee on Agriculture has held extensive hearings on this legislation and has recommended its enactment. I endorse this recommendation as do those who grow, process, and ship onions in western Michigan. I urge an affirmative vote on H. R. 376.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. KNOX. I desire to associate myself with the remarks of the gentleman from Michigan [Mr. FORD] and with those made by the gentleman from Wisconsin [Mr. OSTERTAG] and the gentleman from Colorado [Mr. HILL]. I honestly believe this legislation when enacted will be of great future benefit not only to the farmers but also to the consuming public.

Mr. FORD. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I have no further requests for time.

Mr. HOEVEN. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. GRIFFIN].

(Mr. GRIFFIN asked and was given permission to revise and extend his remarks.)

Mr. GRIFFIN. Mr. Chairman, my congressional district includes Newaygo County, one of the greatest onion-producing counties in the United States.

On the day after I was sworn in as a Member of this body, I introduced H. R. 1935 as a companion to H. R. 376, which is the bill before the House today.

One of the principal organizations supporting this bill is the National Onion Association. However, its support is backed up and reinforced by many other State and national organizations. For example, this bill has the support of the Michigan Onion Growers Association, the Michigan Vegetable Council, the Michigan Muck Farmers Association, the United Fresh Fruit and Vegetable Association, the Vegetable Growers of America, the Western Growers Association, as well as State onion and vegetable grower associations in Wisconsin, Indiana, New York, Texas, Oregon, Idaho, Colorado, and a number of other States.

In addition, this bill has the solid backing of the Michigan Farm Bureau and the American Farm Bureau.

A short statement setting forth the position of the American Farm Bureau will be inserted in the RECORD following my remarks.

It is a fair statement that hardly a single sack of onions is sold in the United States that has not been produced or handled by members of an organization which strongly endorse this bill.

In view of the overwhelming demand from the onion industry for this legislation I believe, at the outset, that we should keep two points in mind:

First. This legislation will cost the Government and the taxpayers no money.

Second. The oniongrowers have never had a Government subsidy or price support and they are not asking for one.

They ask only that they be permitted the opportunity to meet their economic marketing problems without the interference and disturbance which is now created by speculators and manipulators.

In light of the millions of dollars we appropriate annually to support the price of other commodities, surely this one request on the part of the onion farmer is entitled to the sympathetic ear of Congress.

Trading in onion futures was unknown in this country before 1942 when it first began on the Chicago Mercantile Exchange. Subsequently, in 1945, futures trading in onions began on the New York Exchange, but the greatest volume of trading, by far, is carried on in Chicago.

The practice was instituted 15 years ago over the strong and vigorous objection of oniongrowers and their associations. At that time they maintained that onions were not a commodity adaptable to futures trading. They are satisfied now that their fears expressed 15 years ago were well grounded.

The oniongrowers and their organizations have no quarrel with futures trading in staple, nonperishable commodities. It is acknowledged that hedging in the futures market may be of considerable benefit to growers and processors of such products as cotton, grain, and sugar, where the volume of production is high and the degree of perishability is low. However, the opposite is true in the case of onion futures.

The whole system of futures trading in onions involves a high percentage of speculation and a very small percentage of merchandise. Still, the futures trading in onions constantly disrupts the orderly marketing of the cash crop.

For the past several years the futures price for onions has been consistently less than the cash price, which has had the definite effect of pulling the cash price down. There were few exceptions to this general pattern, and then only for short periods of time.

According to a report issued in March 1957 by the Commodity Exchange Authority of the United States Department of Agriculture, the price of onion futures was \$2.20 per 50-pound sack on February 4, 1957. On February 25, 3 weeks later, the price of March futures on the Chicago Exchange stood at a low of 87 cents. Later, in March, there was a substantial recovery and the price went back up from 87 cents to \$1.60 per 50-pound bag. Reviewing this situation, the CEA reported as follows:

Price movement such as this cannot be justified by supply and demand factors and must be attributed either to manipulative activity or, as appears to be the case in this instance, to a wave of speculation.

In 1956 a series of breaks on the futures market drove the price of onions down to 10 cents per 50-pound bag. At the same time the price to growers for new bags in which to pack their onions was 20 cents each, or twice the price for onions then reflected on the futures market.

Those who represent the exchanges and the brokers in opposition to this legislation will say that the cash price of onions fluctuated even before the institution of futures trading. This is true and no one would say that futures trading is the only factor which causes movements in the price of onions. However, there is no history of onion prices, even in the depression days, equal to the low record of 10 cents per bag set in 1956 on the Chicago futures market. Others can point to the fact that onions dropped as low as 50 cents per bag when there was no futures trading; however, we should not forget that a 50-cent price for a bag of onions today is vastly different from a 50-cent price 15 years ago. As the cost of living has gone up, the value of 50 cents has gone down, and the cost of production for the farmer has trebled.

Those who oppose this legislation will say that the problem could be handled by more regulation and closer supervision of the exchanges. It is true that in recent years the mercantile exchange, under heavy legislative pressure, has adopted some constructive rules and regulations. However, the onion growers who are small in number and have little in the way of financial resources to maintain constant legislative pressure, have no confidence in the permanency and effect of such rules and regulations. Since they were adopted by the exchange under pressure, they can be, and will be, changed and made less effective when and if the pressure is removed.

Growers are well aware that the exchange members who make and change

their rules are not interested in a stable onion market; they would prefer a sharply moving market, with traders changing their positions often, all of which makes more business for the market and brings additional revenues to the brokers.

The exchange and its supporters plead that the futures market is offering a great service to the grower in permitting him an opportunity to protect himself through hedging. In view of this concern and solicitude for the growers, it is interesting to note the latest report of the Commodity Exchange Authority based on a survey of open futures contracts in onions as of October 31, 1957. The report shows that 89.6 percent of all traders in onion futures were speculators. Of the remaining 10.4 percent more than half actually represented contracts held by brokers based on financing contracts with growers. Three traders held more than half the total short hedging positions and the same three also accounted for the bulk of the long contracts classified as hedging. The fact is that very few onion growers utilize the futures market for hedging.

The report of the Commodity Exchange Authority which is based on the 1956-57 marketing season and is printed in the committee hearings beginning at page 22, reads in part as follows:

The number of hedging was small throughout the season and limited to a relatively few growers, shippers and receivers. A considerable part of the reported short hedging commitments in the market was held by a few large traders in connection with so-called financing contracts of cash onions.

There is no indication of any systematic use of hedging in onion futures by the rank and file in the onion industry such as would contribute stability to a futures market (p. 33 of the 1957 hearings).

Mr. Rodger Kauffman, Administrator of the CEA testified before the House Subcommittee on Domestic Marketing:

Our observation of the extent and character of the onion futures trading which has been classified as hedging * * * leads us to the conclusion that it is not of particular significance or benefit to the average producer (p. 6, 1957 hearings).

If hedging is not a significant factor then the onion futures market exists almost solely for the purpose of speculation.

Of course, speculation is a necessary part of any futures exchange. But since it is an acknowledged fact that futures trading affects the cash price of onions, let's take a look at the speculators who deal in onion futures.

In his testimony before the House subcommittee, Mr. Rodger Kauffman, Administrator of the CEA, said this:

A commodity such as onions, which is susceptible to such fast and wide movements by its very nature, attracts a type of speculation and a type of speculator who is out for a fast buck—who likes to get in the market and get out again within a few days (p. 10 of 1957 hearings).

For example, on January 31, 1957, there were 708 traders with positions in the Chicago onion futures market. Two weeks later, on February 15, 352 of those

traders had dropped out, reflecting almost a 50 percent turnover in 2 weeks.

Mr. Kauffman testified:

This illustrates one of the basic differences between futures trading in a seasonally exhausted commodity (like onions) as compared with less perishable commodities. Many traders in wheat, corn, cotton, and other commodities remain in the market with unchanged positions for considerable periods of time (p. 7 of 1957 House hearings).

And before the Senate subcommittee last year, Mr. Kauffman said:

The highly speculative nature of the onion futures market probably arises primarily from the wide price movements characteristic of this commodity. Wide and rapid swings attract speculation which at times widens these swings, thus attracting more speculation. This speculative fever continues until the individual speculators have either lost their money or made enough to satisfy them for the time being (p. 30, Senate 1957 hearings).

Mr. Chairman, this system of futures trading as it applies to onions, with its high degree of speculation and small volume of merchandise, amounts to little more than a big gambling operation, with onions used for poker chips.

When the choice to be made is between the interests of speculators and the interests of onion growers, surely there can be no question as to the stand the Members of this body will take.

Thank you.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION

(By John Datt, assistant legislative director,
American Farm Bureau Federation)

The matter of futures trading in perishable agricultural commodities, particularly onions and potatoes, has been of interest to the Farm Bureau for some time. Our interest in this matter stems from our desire to facilitate the orderly marketing of all agricultural commodities to get the maximum net income to farmers.

In May 1956 the American Farm Bureau presented a statement to the Special Subcommittee on Futures Trading in Perishable Agricultural Commodities of the House Committee on Agriculture. At that time we recommended the elimination of onion and potato futures trading from the various commodity exchanges for the following reasons:

1. Onions and potatoes by their very nature are perishable commodities. They cannot be stored for an unlimited length of time and only limited processing is involved. This situation is quite different from wheat, corn, and other storable commodities where the futures market performs a valuable role, since hedging provides price-risk insurance. Futures trading in these storable commodities serves an important function because of the considerable amount of processing that occurs in marketing. This is quite different from onions and potatoes, which, having only limited processing, move from producer to consumer in virtually the same form. Because of their perishability and lack of processing, we do not believe that onions and potatoes lend themselves to sound futures trading.

2. The volume of either onions or potatoes that is involved in futures trading is relatively small, thus providing the opportunity for sharp price fluctuation and the facilitating of price manipulations.

We read with a great deal of interest the report issued by this special subcommittee and have watched closely the operations in both onion and potato futures trading since that time.

In March of this year the American Farm Bureau Federation fruit and vegetable ad-

visory committee, made up of vegetable, onion, potato, and fruit growers from all parts of the United States, again considered this matter. The following recommendation was made by this advisory committee and approved by the American Farm Bureau Federation board of directors.

We strongly favor the elimination of futures trading in potatoes and onions on the various commodity exchanges and that the America Farm Bureau Federation actively support legislation to eliminate onion and potato futures trading.

We appreciate that H. R. 376 is concerned only with proposed legislation to prohibit onion futures trading and shall confine our remaining comments to that problem. We do, however, wish to indicate our interest in both onion and potato futures trading.

As was stated previously, we have been following the operations of onion futures trading in recent months. Basically, as we view futures trading from the producer's standpoint, its prime purpose is to serve as a means of hedging or, in effect, it is a means of obtaining price risk insurance.

In this connection, the comments made in the recent Commodity Exchange Authority report, "Speculation in Onion Futures—January-March 1957," is very interesting. The summary in the CEA report states: "It does not appear that the hedging use of the futures market has been of such character as to be of importance in the marketing of onions." In the main part of the report CEA comments that "the number hedging was small through the season and limited to a relatively few growers, shippers, and receivers." The report further states that "there is no indication of any systematic use of hedging in onion futures by the rank and file in the onion industry, such as would contribute stability to a futures market."

We cite these comments because the question of the function of an onion futures market from the onion producer's standpoint is very important. If in onion futures trading hedging has not been important and there is no indication of any systematic use of hedging to contribute stability, what value has or is futures trading to onion growers?

In the case of the storable commodities such as wheat, cotton, and corn, hedging plays an important role as far as producers and marketing agencies are concerned. There is considerable processing involved in these commodities, and thus the hedging by processors and other manufacturers against price changes serves an important economic function. This is not true in onions as only limited processing is done. As a result, there is only limited hedging involved, and onion futures trading appears to be largely speculative in character.

Since hedging has not been important in the marketing of onions, we seriously question the value of futures trading from the standpoint of onion producers.

As there appears to be little value in onion futures because of the lack of hedging, let us examine what other value or harm there may be in such futures trading as far as onion producers are concerned.

In analyzing this question, there are several other comments in the recent CEA report that are significant.

In discussing the futures price movements that took place in the early February 1957 period, the CEA report includes this statement: "At that time, informed trade opinion was expressed that this interruption in the orderly process of marketing onions would result in a delay in disposing of the old onion crop, with resultant shrinkage and deterioration which might be expected to have disastrous effect upon the market."

The CEA report also includes the following statement in discussing the February and March future price fluctuations: "Price movements such as this cannot be justified

by supply and demand factors and must be attributed either to manipulative activity or, as appears to be the case in this instance, to a wave of excessive speculation."

If it is true, as the CEA report states, that futures price movements cannot be justified by supply and demand factors and must be attributed either to manipulative activity or speculation, it raises a serious question as to their effect on orderly marketing of onions.

As the CEA report indicates, during these periods of rather sharp future price movements the orderly marketing of onions is interrupted, which may result in shrinkage, deterioration, and force the marketing of larger quantities of onions than normal during the marketing season.

Certainly the wider future price movements do not tend to stabilize the cash market for onions and in fact are very detrimental to the orderly movement of onions to market. During these periods of fluctuating future prices, there certainly is a tendency to delay cash purchases by the onion trade and, in general, a period of cash market instability. The effect of this may be to force the disposal of a larger quantity of onions at a later time. From the onion producers' viewpoint it appears very doubtful that onion futures trading makes any real contribution to the orderly marketing of onions.

For these reasons we do not believe that trading in onion futures serves as a useful function to onion producers in the production and marketing of their crop. We therefore support the proposed legislation to prohibit onion futures trading and recommend its passage.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentlemen yield?

Mr. GRIFFIN. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of this legislation to prohibit the trading in onion futures which has adversely affected the operations of many producers in Michigan and other northern States.

You have heard an excellent statement by my colleague the gentleman from Michigan [Mr. GRIFFIN], and I wish to associate myself with his remarks. Both he and the gentleman from Michigan [Mr. FORD] are sponsors of this legislation.

I have long been interested in this measure not only because of the protection it would provide the onion growers of the Sixth District, but also because a constituent, Mr. Veril Baldwin, of Stockbridge, Mich., is president of the National Onion Association, and is one of the industry's most articulate spokesmen.

Mr. Chairman, producers have cited many instances of price fluctuations apparently unrelated to supply and demand situations and traceable only to activity on the futures market for the commodity. It is interesting to note that last year only 615 carloads of onions were actually traded on the Chicago Mercantile Exchange, although there was a total of 50,000 carloads of onions produced in the northern States. Yet the operations of speculators and others have had a most damaging effect on the overall price structure of this commodity.

A report of the subcommittee on Futures Trading of the House Committee on Agriculture cited the extreme example of the manipulations in the onion future market which occurred in the March 1956 onion contract. The price of onions for March delivery was beaten down from a seasonal high of \$2.75 per 50-

pound bag to the ridiculously low figure of 10 cents per bag at the time of the March delivery. As has been pointed out, the empty bags themselves cost 20 cents apiece.

In 1957, the performance was substantially similar. From a price of \$2.20 per 50-pound sack on February 4, 1957, the price fell in 3 weeks' time to a low of 87 cents. Later there was a recovery in price to \$1.60.

Last December, the behavior of the onion futures market was not so erratic—due apparently to the pressure of a short supply of onions and the determination by the exchange board of governors to prevent any spectacular breaks which might affect the legislative outcome of H. R. 376. The price remained substantially the same until early March when the artificial influences of the market could no longer maintain a manipulated price. The price shot up to \$3.09 a bag, with an estimated 1,700,000 bags on hand as of March 1. Since there were estimated to be 11 million bags of onions on hand on December 1, 1957, it would appear that onion growers sold nearly 10 million bags less than the price which would have prevailed if supply and demand had been the only factor involved. This loss to onion producers was directly due to the activities of the future traders.

While trading in commodity futures has become a permanent part of our agricultural marketing operations, it is highly doubtful that onion are suitable commodities for futures trading. Onions cannot be stored for more than short periods without deterioration and this results in a constant but uneven pressure on the market. As the gentleman from Michigan [Mr. GRIFFIN] has pointed out, "the whole system of futures trading in onions involves a high percentage of speculation and a very small percentage of merchandise." The futures trading in onions constantly disrupts the orderly marketing of the cash crop."

I would like to insert at this point in the RECORD a telegram I have received from Mr. Dan E. Reed, of the Michigan Farm Bureau, in support of this bill:

LANSING, MICH., March 4, 1958.
Hon. CHARLES E. CHAMBERLAIN,
House Office Building,

Washington, D. C.:

We understand H. R. 376 to prohibit futures trading in onions on commodity exchange will be debated on the House floor March 5. Trading in future contracts on onions has operated against the best interest of producers and consumers. The comparatively small volume of production and the perishability of the product make possible price manipulations which do not reflect supply and demand. Michigan Farm Bureau supports this bill in line with resolution adopted last November. Also request your support for amendment which wil be offered to also eliminate potatoes futures trading.

DAN E. REED,
Michigan Farm Bureau.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, my distinguished colleague the gentleman from Michigan [Mr. GRIFFIN] has again demonstrated his untiring effort and diligence in protecting the hard-won

earnings of the farmer from being grabbed by unscrupulous speculators. The people of his district must indeed be proud of his diligent labor on their behalf and on behalf of our Nation as a whole.

There is only one group of persons who suffer by permitting speculation in futures in the onion market, and that is the farmer who raises them. The actions of a selfish group of men who are attempting to make quick profits at the expense of the onion farmer should not be allowed to continue. It is in the best interests of these farmers that this practice should be halted immediately.

The highly perishable nature of onions makes it impossible for farmers to combat the actions of the speculators. They cannot hold their crops back from market such as wheat growers, cotton farmers and others with less perishable commodities can. They have to take the price offered to them on the market whenever it is time for them to harvest their crop.

They are at the mercy of the speculator, whose actions have caused wild fluctuations on the onion market.

Again, I wish to praise the people of Michigan's Ninth District for having elected my distinguished colleague to represent them. They have shown rare judgment indeed.

Mr. MILLER of New York. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from New York.

Mr. MILLER of New York. I would like to take this opportunity to commend the gentleman for the statement he is making and to associate myself with him in his remarks. I represent a district which includes a great number of onion farmers in New York State and they are unanimously in favor of the pending legislation.

Mr. GRIFFIN. I thank the gentleman.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I think the constitutional question should be touched on, because if we decide that Congress has the power to limit future trading on any established exchange of a commodity or stock, would we not then have the right to prohibit futures or dealings of any kind under contract? To me that raises a grave constitutional question and I think before we take this first step we should have the reason that this kind of futures prohibition is to be distinguished from that of any other commodity or stock or bond or any kind of contract.

Mr. GRIFFIN. I think my distinguished colleague from Michigan [Mr. FORD] made a very good point on that. We are not prohibiting, or making illegal, contracts for the sale of onions, and we are not seeking to prohibit all contracts for the sale of futures. In other words, we are only seeking to prohibit or eliminate futures trading on the commodity exchanges.

Mr. FULTON. Under the same kind of a contract if a hundred bags of onions, if it is made individually or through a

broker but not on the exchange, it is good. If you have the same contract for the same 100 bags of onions go through an exchange under this legislation it is bad. To me that is a constitutional matter. The use of the exchange as a medium of exchange is not enough to make one transaction good when you have the same contract and the same bags containing 100 pounds of onions and, on other hand, the same contract but just a little different method.

Mr. GRIFFIN. It would not be the same. You would not have the great wave of speculators involved in the cases where a person is making an individual contract with an individual buyer.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Commodity Exchange Act is amended by inserting after section 4i the following new section:

"Sec. 4j. No contract for the sale of onions for future delivery on or subject to the rules of any board of trade in the United States shall be made by or through a member of a board of trade which has been designated under section 4 as a contract market."

With the following committee amendment:

Page 1, line 8, strike out "4" and insert "5."

The committee amendment was agreed to.

Mr. McINTIRE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McINTIRE: On line 5, after the word "onions", insert the words "or Irish potatoes."

Mr. ANFUSO. Mr. Chairman, I raise a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. ANFUSO. The amendment is not germane.

Mr. McINTIRE. Will the gentleman reserve his point of order?

Mr. ANFUSO. I reserve my argument at this time, Mr. Chairman.

Mr. McINTIRE. Mr. Chairman, I do want to point out that my amendment is consistent with the legislative work which this committee has done. As I pointed out in general debate, the background of the legislative work done by the subcommittee and by the full committee initiated itself substantially on the basis of a memorandum which I directed to the chairman of the House Committee on Agriculture in 1955. I would point out that the only futures trading which is done as far as potatoes are concerned is done with those on which the shipments originate in Maine.

Mr. Chairman, I point out that in September last year, on a mail-ballot referendum to all growers in Maine, that there was a vote of about 9 to 1 of producers against the continuation of futures trading.

May I say that I am not going to argue the point any further. I will accept the ruling of the Chairman, but in view of all the legislative work which has been done in relation to potatoes as well as onions, I feel that they, too, deserve consideration under this legislation.

Mr. ANFUSO. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The Chair is prepared to rule.

Under the rule which applies to germaneness, where it states that, one individual proposition may not be amended by another individual proposition even though the two may belong to the same class, and under the precedents already established, the Chair sustains the point of order.

The Clerk read as follows:

SEC. 2. This act shall take effect on the first day of the first month which begins more than 30 days after the date of its enactment.

Mr. ANFUSO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANFUSO: On page 2, strike out section 2.

Mr. ANFUSO. Mr. Chairman, first of all, I would like to answer two questions which have been raised here, one of which affects the farmers and the other one of which affects the consumers. I direct the committee to refer to the hearings on this onion bill where, on page 19, I asked Mr. Kauffman, who administers this program, this question:

In your opinion, is the futures market in onions beneficial to the onion farmer?

Mr. KAUFFMAN. Is it beneficial to the onion farmer? Well, we think that the hedging use of the futures market has had very little part to play in the marketing and distribution of onions.

Some gentleman raised the question as to how it affects the consumer. I assure you, Mr. Chairman, that if this bill helped the consumer I would be very much in favor of it.

I asked Mr. Kauffman whether the consumer would be better off without futures trading. Mr. Kauffman replied:

I doubt it very much; I doubt if the consumer would even notice the absence or presence of the futures market.

Mr. Chairman, I want to say in all earnestness that this is a very bad bill and I am surprised that it has gotten this far. As I shall later show when I move to strike the enacting clause, which I intend to do, the bill is unconstitutional. Every lawyer and every nonlawyer, who has made a contract in this body, knows that it infringes on the right of trade, on the right to contract, on the right to bargain, on the right to do everything that a free American has the right now to do. You can regulate trade, and Congress has done that time and time again, but you cannot prohibit the right of contract.

For the time being, let me engage in a free discussion of what is desired here, so that my friends who are sponsoring this legislation may see, if they have their eyes and their ears open, that this

proposed legislation will not help the farmer one bit.

There is only one reason for this bill, and that is overproduction in onions. Our production of late summer onions or northern-grown onions as they are often referred to, has since the 1930's far surpassed our production of people to eat them. Our population in 1930 was approximately 122 million. Add to this the recent production and the population figures and we find that in 1949-53 the average production of onions was \$32 million-odd, while the estimated population for 1955 was approximately 161 million. Using the estimated population of 1955 we find that our onions production has increased nearly 68 percent during these two periods of time while our population has increased only 32 percent. It is a matter of mathematics. That is the reason we have this bill before us—overproduction.

No one has ever considered the legality of this proposed action. Nobody has considered that this might be an unconstitutional act. Let us consider the question of hedging as it has to do with onions. Is it desirable? Of course it is. Since 1940 the investment in farms in the United States has increased 189 percent. The investment per farm has increased 266 percent. The average farmer now has more than \$14,000 invested for each man who works on the farm. So you see, even though I am not a farmer, I happen to know something about the farming business. This, in terms of the onion farmer, would still be low because of the high value of land that is used for onion production and the specialized machinery that is used to cultivate onions. This varies considerably with the land on which they are produced, but in New York State, the cost to grow an acre of onions would range between \$350 and \$500.

The CHAIRMAN. The time of the gentleman from New York [Mr. ANFUSO] has expired.

Mr. ANFUSO. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. COOLEY. Mr. Chairman, reserving the right to object, and I shall not object, I should like the gentleman to explain the purpose of his amendment, what he seeks to accomplish by striking out section 2.

Mr. ANFUSO. By striking out section 2 I acquaint the Members with the futility of this bill. That is exactly what I am trying to do.

Mr. COOLEY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. If the gentleman will permit the Chair to put the question, if there is no objection the gentleman from New York will be permitted to proceed for 5 additional minutes.

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, how much time is left on the bill?

The CHAIRMAN. We are now under the 5-minute rule.

Mr. HOFFMAN. I understand, but how long do they intend to talk? I should have addressed that question to the chairman of the committee.

The CHAIRMAN. That is not within the knowledge of the Chair.

Mr. COOLEY. The gentleman from North Carolina has no idea about that.

Mr. HOFFMAN. May I ask the chairman about how long they expect the debate to continue.

Mr. COOLEY. I expect it to continue only a few minutes, but I have no control over it.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. O'HARA of Illinois. Reserving the right to object, Mr. Chairman, may I remark to the distinguished chairman of the committee that those of us who are opposed to this bill think it is a very vicious bill, and we wish to have adequate time to present our arguments.

Mr. COOLEY. I have no idea of objecting to any request which may be made by the gentleman from Illinois or the gentleman from New York.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Connecticut.

Mr. MORANO. As I understand, the effect of the gentleman's amendment would be to remove the date when this law would become effective.

Mr. ANFUSO. My amendment can be very adequately compared to—

Mr. MORANO. To striking out the enacting clause?

Mr. ANFUSO. No, but to show that this bill, which has been presented to this body, is a very bad bill.

Now I should like to continue, but does the gentleman have any other question?

Mr. MORANO. Yes, I have another question that I should like to ask the gentleman. I am a Member of Congress, with a right to eat liver and onions once in a while, and hamburger with a slice of onion. The enactment of this bill might mean it might cost a little more for the hamburger or the liver and onions.

Mr. ANFUSO. Absolutely not. Let me read a statement in answer to a statement I made to the administrator of this act.

Mr. MORANO. It will not affect the consumer one way or another?

Mr. ANFUSO. Trading will not affect the price of onions one way or another. All it will do is establish a bad precedent, to say that you cannot contract, that you cannot trade, which I think is absolutely unconstitutional.

Another argument that has been presented is that this product is too perishable. I think we should be thankful for that. Farmers wipe the slate clean each year because the article is perishable and there is no carryover, and there is no expense such as we are now incurring in other products by overproduction.

Mr. Chairman, in all earnestness I say that there is an absolute lack of understanding about this bill. I think the basic problem with regard to futures trading, not only this but all futures trading, is a lack of understanding and education. The board is not the dreaded monster that so many people in the industry think it to be. If it were, they would not teach its functions in colleges and universities, nor would large and reputable loaning institutions loan money for the purpose for which it is intended. It is common knowledge for a farmer to know the best fertilizer to use, the best insecticides, the best weed killers, the latest developments in machinery, the foremost storage and handling facilities. All these are forced on him by salesmen of every description selling everything new in the production line. As a result he produces more. That is the trouble, but there are no salesmen telling him to curtail that.

Let us deal for a moment with a few other commodities, and this is how you gentlemen who are interested in other commodities will be affected. Most farmers have grown lettuce, for example. They have grown carrots, they have grown cabbage, they have grown beets and spinach at one time or another. There is no futures-market trading in any of these commodities, but prices fluctuate from nothing on up. I have seen many acres of each one of these crops left in the ground because of over-production.

Why, then, I ask you in all earnestness, when there is an overproduction in onions is there such a hullabaloo? Those in the industry have a choice whether to use it or not.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I am sorry I cannot yield at the moment, but I will say this to the gentleman: No farmer is required to use the trade. You do not have to use it. As the gentleman who administers the act says, it does not affect the farmers at all; but if the farmer who has been hurt is a man who has tried to gamble, then he should not blame anybody else. I say that the farmers are not affected one iota. I am convinced that those individuals who would have futures trading abolished have been loaded with hearsay evidence upon the subject. They refuse to accept the fact that agriculture as a whole is experiencing overproduction and is in a cost-price freeze. It is my humble opinion that the overproduction of onions and the lack of progressive merchandising of onions rather than the futures market is the nemesis with which the onion industry is faced.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the gentleman may have a minute longer.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield? When does this bill—and I should know, I suppose, but

if you strike out section 2 which says 30 days; when will it take effect then?

Mr. ANFUSO. In my opinion, this act should never take effect. It should never have been introduced.

Mr. HOFFMAN. You mean if you strike that out, it never takes effect; is that right?

Mr. ANFUSO. I say that it is a bad bill and it never should have been introduced.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield? The gentleman stated that this bill does not help the farmer and does not help the consumer.

Mr. ANFUSO. I do not say that. The experts say that—not I. I am not an expert, but the experts, the gentlemen who administers the act says that.

Mr. CEDERBERG. Whom does it hurt?

Mr. ANFUSO. Whom does it hurt? It hurts nobody if they do not trade, and it might help somebody who does trade.

Mr. CEDERBERG. If it does not help the farmer and does not help the consumer, whom does it hurt? It must hurt somebody.

Mr. ANFUSO. It is as simple as this. Trading is a right of contract. Do you want to deny that?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MCINTIRE. Mr. Chairman, I have a substitute amendment at the Clerk's desk for the Anfuso amendment.

The CHAIRMAN. It is not in order to offer a substitute for a motion to strike out. The gentleman may offer his amendment as a perfecting amendment.

Mr. MCINTIRE. Yes, Mr. Chairman; I so offer the amendment.

The Clerk read as follows:

Amendment offered by Mr. MCINTIRE: Strike out all after line 9 and insert in lieu thereof the following:

"SEC. 2. This act shall take effect immediately upon enactment, except that contracts for futures trading in onions executed prior to enactment shall remain valid and in effect until either liquidated or terminated."

The CHAIRMAN. The gentleman from Maine is recognized in support of his amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MCINTIRE. I yield.

Mr. COOLEY. I would just like to say to the gentleman that I have no objection to the amendment and would like to see it adopted.

Mr. MCINTIRE. I thank the chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. MCINTIRE].

The amendment was agreed to.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I very much regret that this bill has been brought up at this time and I deeply deplore the climate in which it is being discussed. My dear friend, the gentleman from Michigan, and I have a great affection for him, made some reference to city slickers and that those who are against the bill are city slickers.

I am mindful, Mr. Chairman, that many times the solid Democratic delegation from Illinois went all out for the farmers, even at a time when those from the agricultural regions were not giving us support in the programs that were badly needed in the urban centers; but always we went out for them because the farmer was part of our national fabric, and when the farmer suffers the people in the cities suffer.

I know that my distinguished friend was seeking merely to put a bit of color in the debate on a bill that, standing on its own merits, had little validity to recommend it. Past master as he is in the art of debate, and there is none his superior, my good friend, the distinguished gentleman from Michigan, was seeking by dramatizing, or something, a phase that did not exist, to hide in a vacuum in the argument in support of this measure. They do grow onions in the district that the gentleman represents, and where I was born, and the growers of onions are good men and fine Americans. I know the gentleman from Michigan will agree that in Chicago there are equally good men, men of the highest character and of utmost devotion to promoting the welfare of our country. They have made a tremendous contribution to the onion growers by providing financing and marketing.

I am sure that the distinguished gentleman from Michigan did not intend to imply that Tilden Cummings is a city slicker. That I know was furthermore from his mind. As a matter of fact, the name of Tilden Cummings had not been mentioned in the debate. I think that is unfortunate because the proponents of this unwise measure have sought to give the impression that there is only one side to this issue. Tilden Cummings is the vice president of the Continental Illinois National Bank and Trust Co. in Chicago. That is one of our largest financial institutions and it performs the work expected of all banks, the financing of industry on a sound basis. That bank is a large factor in the marketing of onions.

Mr. Chairman, the marketing of onions requires financing as does the marketing of every other product. My colleagues from the regions where onions are grown have good hearts and worthy motivation to serve their constituents. But at a time when we are suffering a recession, and financing is not easy to arrange, and may become more difficult to obtain, they are seeking by an inadvertence in their calculations to cut off the financial support necessary for the continuing marketing of onions.

This is what Mr. Cummings has to say, and I trust that everyone in this Chamber will listen closely to his words:

I should like to address you as one speaking in favor of the continuation of futures trading in onions on the Chicago Mercantile Exchange.

As you may well know, we do a substantial amount of financing in our bank of the movement of a number of commodities including onions. We do this both on commodities which have been hedged as well as those which have not been hedged. Obviously, we are in a position to make substantially larger advances against commodities which are

properly hedged, since such hedging protects against price fluctuation.

In our opinion, futures trading in onions performs an important economic function by making possible larger loans against this commodity. Consequently, it is beneficial to the grower, the distributor, and the ultimate consumer in aiding in the financing of this product in its normal flow from the grower to the consumer.

It has been our observation that too often there has been a misunderstanding as to the proper use of hedging, and we feel that additional educational efforts as to its proper function would be most beneficial.

Now, Mr. Chairman, let us find out, in language so simple that those of us who are not experts in the subject can understand, just what we mean by futures trading. I know of no better authority than the organization known as the Better Business Bureau, because that is the organization with the one and only purpose of discouraging fraud and deception in business dealings. This is what the Better Business Bureau, Education Division, has to say on the importance of futures marketing:

There are many other ways in which businessmen limit losses or protect profits by making future contracts. A farmer assures the price for his crop by selling futures. A copper producer does the same thing by selling his scheduled production for future delivery. In these and many other ways, thousands of farmers, cooperatives, merchants, manufacturers, and others insure against losses through fluctuations in prices which are almost inevitable in all major commodities.

Now, let us look for further enlightenment to one of the greatest jurists that ever sat on the Supreme Court of the United States. I am quoting the words of Mr. Justice Holmes found in volume 198 United States reports, page 236:

In a modern market, contracts are not confined to sales for immediate delivery. People will endeavor to forecast the future and to make agreements according to their prophecy. Speculation of this kind by competent men is the self-adjustment of society to the probable. Its value is well known as a means of avoiding or mitigating catastrophes, equalizing prices and providing for periods of want.

But, Mr. Chairman, we are not here deciding on a moral issue. The question whether futures marketing is in itself moral has not been raised. If futures marketing has in it elements of gambling and thus is against the public interests, then this bill should include not only onions, but potatoes and every other product. You cannot make a virgin out of an onion and a harlot of a potato by passing a law that what is virtue as it is applied to one product of old mother earth is a vice when applied to another product. Justice Holmes has told us that speculation of this kind by competent men is the self-adjustment to society of the probable. It is difficult for me to understand how the words of Mr. Justice Holmes can be accepted in the marketing of potatoes and other products and torn into shreds when applied to the marketing of onions. It just does not make common sense. I have never believed in the philosophy of beating up the little fellow for doing the very thing

that the big bully does not only with immunity but with praise.

I believe that there should be regulations because Mr. Justice Holmes has well pointed out that futures contracting should be done by competent men. The men not only should be competent, but they should be held to a rule of strict integrity. And that is what we are doing at this moment. Only as recently as 1956 was the business of futures marketing regulated, and since that time I am informed there has been only one violation detected and in that case there was immediate and vigorous prosecution. By all means strengthen and tighten the regulation, if that seems to be demanded, but it is folly to wipe out a system that has proved satisfactory in the marketing of all other products and in so doing tend to destroy the entire structure of financing and marketing of the onion industry.

I do not wish my colleagues to take my word for this. I am not an expert in the marketing of anything, but I do know that the University of Illinois is an outstanding educational institution and that it has made a contribution to agriculture unsurpassed by that of any other university or college in the land. Dr. T. A. Hieronymus is the associate professor of agricultural marketing at that university. If any man is an expert in agricultural marketing it is Dr. Hieronymus. He is not an onion grower. He is not a banker. He is not a broker. He is an educator with the one and only job of helping the farmer to market his product with the greatest benefit to himself and to the greatest benefit to the public at large. I do not know where you could get a better informed or a more disinterested authority.

Now, Mr. Chairman, let us call upon this great disinterested authority to aid us in our understanding of the subject of our present deliberations. Here is his counsel:

Extreme swings in onion prices were not unusual before futures trading, and they have not been unusual since. They are inherent in the production of onions. We can hope to reduce them through improvements in the pricing system—and the futures market, as a pricing system, affords the best means of improvement.

There are four steps in the process of development of a futures market. First, risks, as evidenced by supplies in storage and fluctuating prices, exist. Second, a system of forward pricing develops and is refined. Third, existing trade practices are codified into formal futures markets. And fourth, trading is brought under public supervision. At their full development futures markets are open public markets, about which there is a maximum of information and over which there is a minimum of control by market traders who seek to further their own particular selfish interests.

Summed up, I think abolishing the futures market would be a backward step which would injure the producers and the entire onion industry.

Mr. Chairman, who would benefit from the passage of this bill? I will tell you. They will be the people who before the development of the futures marketing system made great windfalls cornering up crops. How did they operate? Take the cabbage crops. Cabbage some

years ago was grown largely in 2 or 3 northern areas, and the cabbage from overseas and from Florida did not reach the market until early February. By buying up the crops in these northern areas, and then bringing it in controlled quantities into the metropolitan market, the natural law of supply and demand was artificially controlled, so in the end the consumer paid the bill, the cabbage-grower derived no benefit, and big windfalls went to the manipulators. Such manipulation in other and richer fields, where the quantity and the value of the product were vastly larger, occasioned scandals in the not too far away yesterdays that shocked the conscience of the Nation.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I am happy to yield.

Mr. ANFUSO. Does the gentleman recognize trading as being a contractual relationship between people?

Mr. O'HARA of Illinois. Certainly.

Mr. ANFUSO. And as such, can the Congress prohibit that? Would it not be an unconstitutional act?

Mr. O'HARA of Illinois. In my opinion, there is grave question of the constitutionality of the measure if enacted into law. Lawyers in Chicago who have studied the constitutional phase hold that the court to uphold the legislation necessarily would have to decide that the Congress has the power to prohibit Intrastate Commerce. I agree with them that such a holding would be most far reaching and certainly not to be expected. The gentleman from New York is absolutely correct in saying that the question of constitutionality cannot lightly be disregarded.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. O'HARA] has expired.

(By unanimous consent, Mr. O'HARA of Illinois was granted 5 additional minutes.)

Mr. O'HARA of Illinois. Mr. Chairman, I have made this request because I feel there are many in this body who have regarded this as a one-sided question. Now certainly there is no question of morality involved. If you say that there is, if you want to pass this on that ground, then be forthright about it. Abolish all kinds of futures trading, but when you say it is immoral or it is wrong as regards onions, how can you say it is right and proper as regards potatoes or any other commodity?

The enactment of this legislation would meet the return to the old days of the pilfering of both farmers and consumers for the windfall enrichment of market manipulators.

Mr. Chairman, I yield back the balance of my time.

Mr. COLLIER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, let me say first that I am in the unusual position of being a "city slicker" with some folks in my district who grow onions; so perhaps I can approach this problem without any particular prejudice.

As the gentleman from New York pointed out, there have been some 200

bills in 70 years trying to destroy futures and futures trading. Why did not these bills pass? With all due respect to the Members there who represent onion districts this is basically bad legislation.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I cannot; my time is too limited. I am sorry.

I am sure no one feels more deeply about the plight of the onion growers than I, but at the same time we are setting a precedent, I believe, that those of you who favor this bill will live to regret.

Mr. Chairman, if the proponents of this bill succeed in getting it through Congress, I am sure it will be only a matter of a few months before there will be large demands for similar legislation to cover other commodities traded on the futures board in Chicago, New York, and elsewhere. It is without doubt a precedent-setting piece of legislation and as such deserves a great deal more careful study of what is involved on a long-term basis than we have given it up to the time we are going to vote today.

If futures trading were as great a monster as some have painted it, then it would seem to me that in the past 2 years the price paid to growers of onions would have deteriorated beyond recall.

The fact of the matter is—and I do not think there is anyone who can question the figures—that the income of Texas onion growers in 1957 was higher than in any of the previous 5 years and the price paid to the northern onion growers was higher than at any other time in several years. So the argument that futures trading is designed to push down the growers price is somewhat wrong.

The argument is also advanced that onions cannot be treated as other commodities generally traded on the futures board because onions are perishable. True, they are perishable, but butter becomes rancid, wheat is subject to decay and cotton fiber is subject to rot. All of these things are perishable in one way or another. It is a matter of degree. Onions are a bit more perishable than wheat, but they can be stored from one harvest time to the next without damage. All the evidence so far submitted indicates that this bill will be of no benefit to the onion industry and certainly not to the consumer.

Those who deal in onions are naturally bitterly opposed to it. The bill, in short, strikes me as one which is altogether a bad bill. If we set aside the feeling we have for the onion growers in our respective districts and analyze the legislation as it has been presented to us, we must admit it opens the door to a very, very bad precedent. It remedies no evils because no evils exist. Its net result would be to destroy one more phase of free enterprise, and lead us another tiny step closer to ultimate socialism. If this legislation passes today and is enacted into law, there are those who will be for this bill today who will regret the precedent they have set.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

[Mr. HAGEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. BELCHER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ANFUSO. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. ANFUSO of New York moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. ANFUSO. Mr. Chairman, I know that Members on both sides of the aisle, as sincere legislators, want to know whether they are passing a futile bill, whether or not they are doing something that is constitutional. That question has been raised and I am prepared to answer it. And I am prepared to answer it by the best authority in the United States, namely the Supreme Court of the United States.

If Members will bear with me, even those who are sponsoring this bill, let me say that I would be the last person in the world to try to hurt the farmer; I do not care whether he is an onion farmer or a tobacco farmer or a cotton farmer. I have no interest in any of those things and if I can help these farmers in any way, I would be glad to do so. But let me say to the onion farmers who think they are being hurt, that this is not the right way for them to be helped. They have a right to come in and seek regulation. They have a right to amend the regulatory processes of our Government, but they cannot do what they are trying to do here.

As a matter of fact, they have not even given the present act a chance. We passed it only in 1955. There has been only one violation, and that violator is being prosecuted. What more can you expect?

The so-called commerce clause of the Constitution, namely section 8 of article I provides that Congress shall have the power to regulate commerce with foreign nations and among the several States and with the Indian tribes.

Nowhere in the Constitution is the power given to Congress to prohibit interstate or intrastate commerce. As a matter of fact, the Constitution does not even empower the Congress to regulate, much less prohibit intrastate commerce.

In the two authoritative cases on the subject, *Hill v. Wallace* (259 U. S. 44) and *Board of Trade v. Olson* (262 U. S. 1), the Supreme Court of the United States held that futures trading is of itself not interstate commerce and, therefore, not subject even to regulation by the Congress.

For this reason, the Hill case held the specific act before it, which at that time sought to impose a severe tax on all contracts of grain for future delivery, to be unconstitutional. The Supreme Court, however, in that case did point out to Congress a method of regulating futures trading, not prohibiting it but a method of regulating, by the following language:

They—

Referring to futures—

cannot come within the regulatory power of Congress as such unless they are regarded by Congress from the evidence before it as directly interfering with interstate commerce so as to be an obstruction or a burden thereon.

Following this interpretation of the Constitution, the Supreme Court in the *Board of Trade* case, which I mentioned before, did find evidence which directly interfered with interstate commerce so as to be an obstruction or a burden thereon, and held the act to be constitutional.

As clearly seen from both of these cases, futures trading does not constitute interstate commerce and is subject only to regulation because of the findings set forth in what is now section 3 of the Commodity Exchange Act.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ANFUSO. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. The Chair may say to the gentleman that time is limited under the rules.

Mr. MCINTIRE. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I think those who have spoken in opposition to this legislation are most sincere and certainly, as one who is not a lawyer, I should not take on the issue of the constitutionality of this legislation. There is ample precedent in this Congress for passing legislation which is not later supported by the Supreme Court on an issue of constitutionality. So I think it is incumbent upon us to look at this legislation pro and con on its merits. I have the utmost respect for those who disagree with my views on it.

The issue basically, it seems to me, is this, that as far as the producers of onions, and I might say potatoes, that are no longer in the legislation, that as far as the producer of onions, a highly perishable commodity, is concerned, he finds himself contending with what is in effect a parallel market. He knows full well that the great majority of those who participate in this parallel market own no onions, they want no onions, and they will do everything they can to avoid accepting the delivery of a single car.

I am not going to be one that will contend that there are any higher prices for onion growers involved in this legislation. All of the time that we spend on it does not prove that to be the case. But I do say that this commodity, which is subject to rather violent fluctuations in price thanks to the weather, rumors of market conditions, and humors of supply and demand—that this vehicle offers an opportunity, which can be proven, that from day to day the positions of those who are trading on these boards do influence this market up and down.

I respect the fact that there are many business firms involved in this trading and they have a perfect right to their views, but I say to you that there are no onions delivered to processors. Wheat and cotton and other commodities interested in futures trading have a very proper aspect of that activity in relation to advance pricing.

There is no processing of onions. There is hardly a single person here who buys a car or who wants a car and it is a parallel market which has a tremendous influence from day to day as to what the spot or the actual price is going to be on the fresh market. I know I received, and I know that many of you received, a rather long telegram which carried 66 names on it. I checked those names against the Red Book. If any of you are familiar with the produce business, you know what I mean by the Red Book. It is a list of all of the produce handlers who work in the field and who have perishable agricultural commodity licenses. Out of the 66 names on that telegram which a great many of the Members received, there are only 11 names that are dealers in produce. So there are 55 names on the telegram that relate to those who are interested in the brokerage aspect of this business. Let me assure you that it is a very important aspect because again I must refer to the New York Mercantile to get some figures because I follow it very closely—I do not trade on it, I assure you, but I do follow it. In one single day's transactions, the brokerage fees on the New York Mercantile was \$70,000. That is the brokerage in 1 single day. That is coming out of the value of the product because it would have to be sold in order to absorb those factors. This is big business. I say to you folks that this is a vehicle which is secondary and apart from the actual trading in this commodity, which is delivered to the consumer for consumption. It is a deal that has a very substantial effect on the market.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the preferential motion to strike out the enacting clause.

The motion was rejected.

Mr. SHEEHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is my feeling that in the present bill the thought of many of the small farmers who are for this bill would be that the prices are going to be controlled and that the people in the city would not be able to take profits. I would like to believe that if it were possible, but that is not the situation. In order to answer this argument which was brought up by the gentleman from California, I would like to give you the information I have from the United States Department of Agriculture and the Chicago Mercantile Exchange. In the first place, the Department of Agriculture states that the erratic price swing existed in cash onions long before futures trading became of importance, and that the abolishment of such trading would not affect those fluctuations.

Secondly, the Department of Agriculture points out the fact that the futures markets provide a central point at which supply and demand factors are focused and facilitate competitive determination and wide dissemination of market prices.

Otherwise, you know what would happen. All the onions would come in at one time and the price would be way low and the farmers, I feel, would ultimately suffer without some sort of futures or hedging market.

Thirdly, the Department of Agriculture states that the consumer, in their opinion, would not be affected by the passage of the bill under consideration. Also, the Agricultural Economics Division of the United States Department of Agriculture made a study recently which showed that price fluctuations on a monthly basis were significantly greater in the 10-year period from 1930 to 1940 than they were in the period from 1947 to 1955.

So it seems to me that if we are going to help the small farmer, this is not the way to do it. I must agree with the gentleman from Illinois [Mr. O'HARA] and the gentleman from New York, that if you do away with futures contracts you are doing away with one of the essential things in business.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. ANFUSO. It has been stated that we should pass this legislation because we are dealing with a perishable article. May I call to the attention of the committee that the Commodity Exchange Act, as amended, section 2, states with reference to commodities that it shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed; butter and eggs, both of which are perishable; lard, which is perishable; peanut oil and soybean oil. All of those things are perishable.

Mr. SHEEHAN. I thank the gentleman for his observation.

In my opinion, another argument made by the gentleman from California is absolutely wrong. The gentleman says nobody but a handful of people would benefit from the futures market. According to the Chicago Mercantile Exchange, more onion farmers use the futures market than in the case of cotton, corn, and most other commodities. In the Midwest many farmers have to use it in order to get cash to insure themselves that when the onion crop matures they will get a price.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I am very much interested in hearing the argument today, because I think that the whole question needs to be explored thoroughly. I therefore wonder if the gentleman will comment on the statement made by some of the Chicago banks, that loans on onion crops would be less available to the individual farmer if this bill passes.

Mr. SHEEHAN. In my opinion, and I have heard from the First National Bank of Chicago—they are interested because they feel that when they loan money to a farmer or a grower, unless there is hedging or a futures market, they would take very few chances in loaning this money. So the farmer would have to come back to the Government or it would be up to him to do the whole job on his own.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. FULTON. If so many farmers want to use this particular method of

selling their crop, why should we, if it is fair and open to get contracts, prevent them from doing just what they want?

Mr. SHEEHAN. The gentleman is absolutely right. We should regulate but not prohibit.

Mr. POAGE. Mr. Chairman, I wonder if we cannot get an agreement on the time for debate on this bill.

Mr. HOFFMAN. I want to get time enough to apologize to my good friend and colleague from Chicago [Mr. O'HARA].

Mr. POAGE. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I have a very dear friend in the House, on the Democratic side who comes from Chicago, but one who was born, brought up, and educated in Berrien County, BARRATT O'HARA. That county is in the Fourth Michigan District; and while I admire our colleague for eloquence, integrity, and ability, he also has a world of relatives over there and I do not want any of them to feel hurt by anything I said.

The gentleman took exception to the words "city slicker." I do not mean that there are no slickers in my county. Over in the Fourth District we had, some 30 or 35 years ago, a few real-estate dealers who sold Chicago people that worthless sand on which little would grow and on which we had a freeze, even in June, which killed leaves on the oak—land so poor they could not even raise a sandburr; so we had and knew something about home-grown slickers.

And I do not suppose that the gentleman contends that there are no city slickers in Chicago. I remember the Capone gang, and I remember others as well. The people of Chicago, I understand, are just as honest, honorable, and all the rest of the good qualities that might be added as the folks in Allegan or any other county in the Fourth District. But I was thinking as this debate went on of the verses in the Scripture. Remember Matthew, the 6th chapter, the 28th and 29th verses, do you not?

"Observe the lilies of the field"—you remember—"They toil not, neither do they spin." "And yet I say unto you, that even Solomon in all his glory was not arrayed like one of these." That is what I was thinking about as I remembered the backbreaking toil that the grower put into the crop and comparatively little manual labor the broker did.

I was thinking about the fellows in the city who do not put the onions in the ground, who do not get down and weed the onions, who do not get their knees wet thinning the growing onions, thinking how in Chicago some spread a false report that our farmers had shipped or were not shipping onions when they had not even thought of it, so the market price would rise or fall on a false report.

I hope, with this explanation, the gentleman is satisfied.

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Illinois [Mr. O'HARA] is recognized.

Mr. O'HARA of Illinois. Mr. Chairman, I was delighted to find—although I had always known it—that my dear friend who so ably represents the district where I was born is so well versed in the Bible. Thus I know he has read in the Bible of the Garden of Eden. But I wonder if he knows that the present name of the area described in the Bible as the Garden of Eden is now known as the Second Congressional District of the State of Illinois?

Oh, it may be that occasionally somebody will sneak in that has not had the upbringing that we give our people in that district, but we do our best to bring him to the ways of propriety. If he was a slicker when he came, after he has lived in Chicago a while he is very much less of a slicker and if he stays long enough in our company all the slickering ways that he knew before he came to Chicago have been forgotten.

Mr. Chairman, I hope this bill will be defeated.

The CHAIRMAN. The gentleman from Illinois [Mr. BYRNE] is recognized for 2 minutes.

Mr. BYRNE of Illinois. Mr. Chairman, if I had more than 2 minutes I might be able to convince some people of certain things, particularly of the fact that I know my onions. I remember when they sold onions by the peck.

But when I heard the gentleman from Wisconsin speaking in favor of this bill and conceding that it abolishes a legal field of endeavor, I was astonished. To my way of thinking we are not here in Congress to abolish legal fields of endeavor.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. BYRNE of Illinois. No; I cannot yield.

We are not here to abolish the right of contract. I think any lawyer who read this proposed legislation could come to no other conclusion than that it is in the nature of prohibition. It is not an attempt to regulate, it is prohibition. I hope this legislation will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

[Mr. LAIRD addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I would like to take a moment to reply first to a question put by the gentleman from Wisconsin [Mr. LAIRD] concerning the Commodity Exchange Authority. In the hearings before the House subcommittee the members were talking about the daily fluctuations in the onion market. Congressman Andresen asked

Mr. Bagnell, who represented the CEA, the following question:

Let me ask you, Mr. Bagnell, Is there any daily limit in the fluctuation of the market, futures market, on onions?

Mr. Bagnell replied:

There is, and I will be glad to comment on that. Those limits are not fixed by the Commodity Exchange Authority—we have no statutory authority to do it—they are fixed by the exchanges.

Of great concern to onion growers is the fact that a good deal of the regulation of onion futures is done by the exchange itself. Such regulation has come about only as the result of the legislative pressures that have been built up in the last couple of years. The onion growers realize full well that as soon as this legislative pressure is relaxed, the exchange which makes these regulations will again change them. Onion growers have limited financial resources with which to maintain legislative pressure and to counteract pressures exerted by the exchanges.

Many who are not familiar with this legislation may think that we have always had trading in onion futures. That is not the case. The gentleman from New York [Mr. ANFUSO] pointed out that trading in onion futures has been carried on only since 1942. We had no futures trading before that and we have had futures trading in onions since then. Onion farmers have had an opportunity to compare. If futures trading is so beneficial to the grower, it is indeed strange that growers do not see this benefit and are almost unanimous in their opposition to futures trading on the exchanges.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. BELCHER].

[Mr. BELCHER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the time allotted me be given to the gentleman from Texas [Mr. POAGE].

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. POAGE. Mr. Chairman, I do not claim to be an expert on this matter of onions. In my district we used to grow onions. They do grow very well on the black land. But our farmers have decided they could not make anything out of it; they decided it was a losing proposition. Maybe they are wrong. Maybe futures trading did not hurt them, but they think it did and I think it did, and I know and you know that it could not possibly be helping them, because all the testimony we have had here shows clearly that the futures market is so manipulated that prices swing up and down from \$2.75 a bag to 10 cents a bag within the same month.

Now, there is never that kind of change in the supply and demand picture in

any month, and that obviously shows that there is manipulation. Now, who gains by it? The opponents of this bill have admitted that the consumer could gain nothing one way or the other. They said it did not affect the consumer. I do not know whether it affects the consumer or not, but somebody has to pay that cost.

The gentleman from Maine well pointed out that on a secondary market—not the great Chicago market but on a secondary market—the commissions alone amounted to \$70,000 a day on this kind of trading. Now, that is not on onions, but that is on futures. Now, somebody has got to pay that bill. It has to either be paid by the producer or by the consumer. You cannot find anybody else to pay it. And, I challenge the opponents of this bill to come up and say who else does pay it. It has to be either the producer or the consumer or both that pays the bill.

I want to call attention to this further fact, that we are talking about a commodity that is not only perishable—that has been mentioned—but we are talking about a commodity that is in very short supply and very seasonal. We are talking about a commodity where the trading in one day's time oftentimes exceeds the production of onions for a full year. You do not have that condition existing on the great commodity exchanges, in cotton or corn, because those products are storeable.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. ANFUSO. The gentleman has honestly admitted that he does not know whether or not this helped the farmers or the consumers. Now, I ask him as a very brilliant lawyer, would you want to pass something which you know to be unconstitutional?

Mr. POAGE. I know this to be constitutional, if I am any kind of a lawyer. I never claimed to be one of these expert lawyers. The gentleman talks about constitutionality, and I think this is a good time to answer that. The gentleman cites some cases here, and they apply to nothing in the world except intrastate commerce. Now, then, this is an amendment to the Commodity Exchange Act. The courts have already found under the Commodity Exchange Act that this futures trading does involve interstate commerce, does impose a burden on interstate commerce, and under the very decisions the learned gentleman from New York read to us the Congress has the power to regulate interstate commerce. And, this is interstate commerce and it has been repeatedly so held under the decisions under the Commodity Exchange Act.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. TEWES] to close the debate.

Mr. TEWES. Mr. Chairman, in my opening remarks I pointed out that there were three groups affected by this proposed legislation. One is the man who speculates in onions; No. 2 is the farmer who grows onions; No. 3 is the consumer who eats onions. It has been said in the

interim that there is a fourth one, the Congressman, who should not legislate unconstitutional laws. To the latter argument I reply that Congress, in pursuance of Court edicts which have been cited by the gentleman from New York [Mr. ANFUSO], has said that excessive speculation is an undue and unnecessary burden on interstate commerce. We, therefore, do have the constitutional authority.

As far as the consumer is concerned, he is adversely affected by futures trading because he pays the cost for the exchange operations. He is affected by the fact that large buyers do not purchase onions on days when the price on the futures market is dropping. Consequently the consumer frequently is unable to get onions even when there is an adequate supply.

As far as the farmer is concerned, it is said that he can hedge his crop and thereby benefit from futures trading. This simply is not true in most instances, because the average farmer is unable to offer the necessary collateral required to deal on the futures market.

The onion farmer is perfectly willing to do that which all other farmers do, match himself against the elements and against other farmers. But he is unwilling, and I think rightfully so, to accept this additional burden of speculation which outside his own control sets prices for him on the market.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. TEWES] has expired. All time has expired.

Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ASPINALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges pursuant to House Resolution 484, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

Mr. KRUEGER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KRUEGER. I am, sir.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. KRUEGER, of North Dakota, moves to recommit H. R. 376 to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered.

The motion was rejected.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, MERCEDES DIVISION

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5309) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5309 with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ASPINALL. Mr. Chairman, I yield myself 7 minutes, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Chairman, this bill authorizes the Secretary of the Interior to construct, rehabilitate, operate, and maintain the Mercedes division of the lower Rio Grande rehabilitation project, Texas, which comprises irrigation and drainage works of the Hidalgo and Cameron Counties Water Control and Improvement District No. 9. This district is 1 of 37 water control and improvement districts in the lower Rio Grande Valley, a highly developed agricultural area where crop production is almost entirely dependent upon irrigation. The plan of rehabilitation is urgently needed to effect savings in operation and maintenance costs and to achieve optimum crop production with the water supplies available to the district.

The plan of rehabilitation is designed to permit more economical operation and maintenance of the district's irrigation works, to provide more efficient water deliveries, to reduce distribution system losses, and to reduce flooding of lands in some areas by repair and improvement of the district's irrigation and drainage system. The plan involves a small increase in water storage, repair or replacement of deteriorated existing canal lining, installation of concrete lining or pipes in most of the presently unlined laterals of the irrigation system, rehabilitation or replacement of inadequate irrigation and drainage structures, cleaning and clearing of all earth canals, and construction of access roads for maintenance purposes along all laterals, canals, and drains.

Water for the district comes from the Rio Grande River. The existing diversion and distribution systems were

constructed during the period 1905 to 1921, and parts of the system have been in continuous operation for almost 50 years. The district's entitlements to the use of water from the Rio Grande River are sufficient to assure an adequate and continued water supply to serve its 68,000 acres of irrigable land provided this rehabilitation program is accomplished. Rehabilitation of the systems requires modernization and improvement if they are to continue to operate efficiently and economically and if the district is to salvage for beneficial use considerable amounts of water presently being lost through seepage and evaporation.

The district participated in the development of this plan from the start, contributing both funds and services. The plan of development and the report of the Secretary of the Interior recommending the rehabilitation work were transmitted to Congress on April 12, 1957, and printed as House Document 152, 85th Congress. Prior to its submission to the Congress, the plan was submitted to the States of the Rio Grande Basin and to the Secretary of the Army for review. No objection was raised to the proposed plan of rehabilitation as a result of these reviews. The State of Texas found the project to be feasible and recommends that it be authorized and constructed. The Chief of Engineers found no conflict between the proposed improvements and the existing projects or plans of the Corps of Engineers in the lower Rio Grande Valley.

The estimated construction cost of this rehabilitation program is about \$10 million, all of which is allocated to irrigation. This total amount will be repaid in a period not to exceed 40 years and testimony given the committee indicates that the period will be much shorter than 40 years. Economic studies of the proposed rehabilitation project indicate that benefits from the development will exceed the costs by better than 2 to 1.

Our committee amended the bill in two respects: First, language was added to make it clear that the reclamation principle of repayment in accordance with repayment ability should be adhered to. In other words, under the amended bill, repayment would be completed in the shortest possible time and, as I pointed out a minute ago, repayment studies show that the period will be considerably less than 40 years. The second amendment of the committee added language requiring the district to pay interest on that part of the cost attributable to furnishing service to excess lands. The purpose of this amendment is to require excess lands to pay the full cost of serving them, including interest.

In closing, may I say that the committee found this to be an excellent project. The committee's hearings indicated that it has engineering and economic feasibility and that the total cost can be repaid by the district. The project is urgently needed and the district and the water users have indicated their desire for the project and their willingness to repay the total cost. Mr. Chairman, I hope that the House will act favorably on this legislation.

Mr. Chairman, I now yield to my friend and colleague, the gentleman from Pennsylvania [Mr. Saylor].

Mr. SAYLOR. Mr. Chairman, I thank the gentleman from Colorado for yielding to me because I would like to tell the Members of the House that this is a reclamation project which meets every requirement that the reclamation acts have laid down. It is not one that has had to have exceptions made for it. I am satisfied that the Government is making a good investment not only so far as the amount of money that is required to be spent here, but also in making sure that the money already spent will be repaid.

I would like to ask the gentleman from Colorado whether or not there is any evidence in the hearings that the period might even be less than 35 years?

Mr. ASPINALL. The gentleman is correct. It may be less. It will all depend on the determination by the Bureau.

Mr. SAYLOR. And that was taken care of in the language which the committee placed on the second page of the bill which allows the Bureau to set variable payments in accordance with the ability of the district to pay; is that not correct?

Mr. ASPINALL. The gentleman is correct and it even goes further than that. It makes it mandatory upon the Bureau.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. JONAS. Do I understand the committee amendment to provide with respect to interest that no interest will be charged to any private owner of land developed by the project except as to land in excess of 160 acres?

Mr. ASPINALL. The gentleman is correct. That is the reclamation law and has been since 1902.

Mr. JONAS. And with respect to the private ownership of land not in excess of 160 acres, no interest would be paid?

Mr. ASPINALL. The gentleman is correct. It is under the same formula we used in order to extend the theory of the Homestead Act, and that is the purpose, of course, of the Reclamation Act of 1950.

[Mr. MILLER of Nebraska addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ASPINALL. Mr. Chairman, I yield to the gentleman from Texas [Mr. KILGORE], the author of the bill, such time as he may desire.

Mr. KILGORE. Mr. Chairman, I take this time to express my appreciation to the members of the committee on both sides of the aisle for the consideration and support they have given this legislation.

I would like to say to the gentleman from North Carolina [Mr. JONAS] that most of the production is in citrus and vegetables. There is some cotton production in the area, but I think that will be diminished if this legislation is approved because of the firming up of the water supply by the improvement in the distribution system. It will make it

more probable that there will be a more ready return to citrus, rather than continued production of cotton and such other things.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. KILGORE. I yield.

Mr. JONAS. Sixty-eight thousand acres are involved?

Mr. KILGORE. Sixty-eight thousand acres.

Mr. JONAS. Can the gentleman tell us specifically how many acres are used in producing cotton?

Mr. KILGORE. I regret that I cannot tell just exactly how much of that acreage is cotton. I would think considerably less than one-third or one-fourth of it would be in cotton. As a matter of fact, I think that figure may be high; for cotton production, and such as it is, as I say, will diminish.

(Mr. KILGORE asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SISK].

Mr. SISK asked and was given permission to revise and extend his remarks.

Mr. SISK. Mr. Chairman, as a member of the committee, I join with the distinguished chairman of our subcommittee in supporting this legislation. It is good legislation, it is economically and engineeringly feasible; it is needed. I hope, therefore, it is expeditiously enacted into law.

Mr. ASPINALL. Mr. Chairman, there are no further requests for time.

The CHAIRMAN. There being no further requests for time the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388 and acts amendatory thereof or supplementary thereto, including particularly the act of July 4, 1955 (69 Stat. 244), but subject to exceptions herein contained) is authorized to undertake the rehabilitation and betterment of the works of the Hidalgo and Cameron Counties Water Control and Improvement District No. 9, Texas, and to operate and maintain the same.

Such undertaking which shall be known as the Mercedes division of the lower Rio Grande reclamation project, shall not be commenced until a repayment contract has been entered into by said district under the Federal reclamation laws, subject to exceptions herein contained, which contract may provide for payment of the capital cost of the Mercedes division over a period of not more than 40 years or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within said period under average conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay.

SEC. 2. Title to all lands and works of the division, to the extent an interest has been vested in the United States, shall pass to the Hidalgo-Cameron Counties Water Control and Improvement District No. 9 or its designee or designees upon payment to the United States of all obligations arising under this act or insured in connection with this division of the project.

SEC. 3. The excess-land provisions of the Federal reclamation laws shall not be appli-

cable to lands which now have an irrigation water supply from sources other than a Federal reclamation project, and for which no new waters are being developed.

SEC. 4. There is hereby authorized to be appropriated for the work to be undertaken pursuant to the first section of this act the sum of \$9,300,000, plus such amount, if any, as may be required by reason of changes in costs of work of the types involved as shown by engineering indexes.

Mr. ASPINALL (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read, that it be printed in the RECORD, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 6, strike out "may" and insert "shall."

Page 2, line 7, after the word "payment", insert "in accordance with the District's repayment ability."

Page 2, line 20, strike out the word "insured" and insert in lieu thereof the word "incurred."

Page 2, line 21, after the word "project," add the following: "and shall, in addition, require the payment of interest on that pro rata share of the capital cost, which is attributable to furnishing benefits in each particular year to land held in private ownership by any one owner in excess of 160 irrigable acres, said interest to be at a rate determined by the Secretary of the Treasury by estimating the average annual yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May preceding the fiscal year in which the repayment contract is entered into, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent."

Page 3, line 18, strike out "\$9,300,000" and insert in lieu thereof "\$10,100,000 (January 1957 costs)."

The committee amendments were agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5309) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division, pursuant to House Resolution 494, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

85TH CONGRESS
2D SESSION

H. R. 376

IN THE SENATE OF THE UNITED STATES

MARCH 14, 1958

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Commodity Exchange Act to prohibit trading
in onion futures in commodity exchanges.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Commodity Exchange Act is amended by inserting
4 after section 4i the following new section:

5 “SEC. 4j. No contract for the sale of onions for future
6 delivery on or subject to the rules of any board of trade in
7 the United States shall be made by or through a member of a
8 board of trade which has been designated under section 5
9 as a contract market.”

10 SEC. 2. This Act shall take effect immediately upon
11 enactment, except that contracts for futures trading in onions

- 1 executed prior to enactment shall remain valid and in effect
- 2 until either liquidated or terminated.

Passed the House of Representatives March 13, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

MARCH 14, 1958

Read twice and referred to the Committee on Agriculture and Forestry

16. COTTON. Passed without amendment H. R. 6765, to repeal the prohibition against cotton acreage reports based on farmers' planting intentions. This bill will now be sent to the President. pp. 8216, 1233
17. RESEARCH; WILDLIFE. At the request of Sen. Hruska, passed over S. 2447, to authorize studies of the effects of insecticides upon fish and wildlife. p. 8212
18. SALINE WATER. At the request of Sen. Talmadge passed over S. J. Res. 135, to authorize the Interior Department to construct and operate a salt-water conversion demonstration plant. p. 8212
19. FARM PROGRAM. The Agriculture and Forestry Committee ordered reported the following bills:
~~An original bill authorizing transfer of cotton acreage allotments from lands which cannot be planted to other lands in 1958;~~
~~S. 1436, with amendment, to amend various provisions of law regarding ASC committees;~~
~~H. R. 376, to prohibit trading in onion futures on commodity exchanges;~~
~~H. R. 7953, to facilitate and simplify the work of the Forest Service;~~
~~H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act; and~~
~~H. R. 11399, to authorize the Secretary to set the level of price support for extra-long-staple cotton at between 60 to 75 percent of parity.~~
p. D344
20. IMPORTS. The Finance Committee reported with amendments H. R. 6006, to provide for greater certainty, speed, and efficiency in the enforcement of the Anti-dumping Act (S. Rept. 1619). p. 8170
21. INFORMATION. The Judiciary Committee reported without amendment S. 921, to prevent the use of 5 U. S. C. 22 to withhold information. p. 8170
22. RECLAMATION. Passed as reported S. 2215, to authorize the Interior Department to construct, operate, and maintain the Spokane Valley Project. p. 8200
23. FLOOD CONTROL. Sen. Kuchel urged the Senate to act on the flood control authorization bill vetoed by the President, and inserted various communications on the need for such projects in Calif. pp. 8242-6
24. POSTAL RATES AND PAY. Agreed to and sent to the House the conference report on H. R. 5836, the postal rate and pay increase bill, by a vote of 88 to 0. pp. 8227-33
25. STATEHOOD. Sen. Church urged Alaskan statehood, and inserted a letter he wrote to the President to urge his support for the bill. p. 8251
26. FOREIGN AID. The Foreign Relations Committee began consideration of the proposed Mutual Security Act of 1958, and adopted a policy statement that it was the sense of Congress that India be given support in its economic development program. pp. D445-6
27. FOREIGN TRADE. Sen. Morse inserted a summary of Ore. opinion ballots on certain public questions, including support for world trade policies in line with Administration-backed proposals. pp. 8191-4

28. EXPORT CONTROL. Received from the Commerce Department a report on export control for the first quarter of 1958. p. 8169
29. ARBOR DAY. Sen. Javits inserted a resolution of the Greene County, N. Y., Board of Supervisors, urging establishment of a National Arbor Day. p. 8169

ITEMS IN APPENDIX

30. RESEARCH. Sen. Knowland inserted his address before the American Feed Growers Ass'n discussing "pertinent" farm facts and suggesting certain action toward an improved farm program. pp. A4649-51
31. PRICES. Sen. Javits inserted excerpts from Ewan Clague's, Dept. of Labor, speech, "The Consumer Price Index in the Current Price Situation." pp. A4660-1
32. AREA DEVELOPMENT. Extension of remarks of Sen. Thurmond expressing his opposition to the proposed area redevelopment bill. p. A4663
33. TRANSPORTATION. Sen. Wiley inserted a letter from the General Steamship Agencies pointing out the "tremendously impressive savings which have been already realized, thanks to the movement of surplus farm products via the direct, all-water route from the Midwest through the present St. Lawrence seaway." pp. A4669-70
34. FOREIGN AID. Extension of remarks of Sen. Dworshak inserting an editorial urging reappraisal of the foreign aid program. pp. A4675-6
Rep. Chiperfield inserted an editorial and a report by Rep. Bass favoring the foreign aid program. pp. A4691-2, A4707
35. ELECTRIFICATION. Sen. Sparkman inserted an editorial, "TVA's Challenge--After 25 Years." pp. A4679-80
36. LIVESTOCK. Rep. Polk inserted an editorial, "Meat Promotion Up Again," emphasizing the need of "being sure any meat promotion moves are right before they are made." pp. A4685-6
37. STATEHOOD. Rep. Poage inserted a letter he had written pointing out "what seems to be . . . an obvious weakness in the pending statehood bill." pp. A4687-88
38. TOBACCO. Rep. Lankford inserted two articles discussing the growth and marketing of tobacco in Md. pp. A4694-95
39. FARM PROGRAM. Extension of remarks of Rep. Schwengel discussing farm policies, in which he states that "it is becoming increasingly clear that political management of agriculture does not work very well," and inserting a magazine article discussing farm conditions. pp. A4706-07
40. FARM DRAINAGE; WILDLIFE. Extension of remarks of Rep. Reuss urging the enactment of legislation to restrict farm draining projects harmful to wildlife, stating that "there is not the slightest doubt that the Department of Agriculture's farm drainage program, as administered under existing law, has in many cases worked directly counter to the best interests of wildlife, water, and even soil conservation," and inserting an article and letter discussing the matter. pp. A4717-18

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 27, 1958
For actions of May 26, 1958
85th-2d, No. 83

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Forestry.....	8,9	Onions.....	9	Surplus foods.....	3
Holiday.....	33	Personnel.....	35	Trade agreements.....	31
Housing.....	12	Price supports.....	9	Transportation.....	13,26,32
Imports.....	11	Reclamation.....	17,38	Travel.....	35
Irrigation.....	24	Research.....	16,19	Water resources.....	27
Lands.....	14,30	Roads.....	39	Watersheds.....	9
				Wildlife.....	9

HIGHLIGHTS: House received conference report on agricultural appropriation bill. Senate agreed to conference report on Interior appropriation bill. House committee reported bill to permit transfer of cotton allotments due to excessive rainfall. Senate committee reported bill to fix price support on extra-long staple cotton at 70 to 75 percent of parity. Rep. Thomson, and others, commended administration farm program. Senate committee reported mutual security authorization bill. House debated Alaska statehood bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1959. Received the conference report on this bill, H. R. 11767 (H. Rept. 1776). (pp. 8482-83, 8530) At the end of this Digest is a summary of the actions of the conferees.
2. COTTON ALLOTMENTS. The Agriculture Committee reported with amendment H. R. 12602, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters (H. Rept. 1772). p. 8530
3. SURPLUS FOODS. The Agriculture Committee reported with amendment H. R. 12164, to permit the donation of surplus foods to nonprofit summer camps for children (H. Rept. 1774). p. 8530
4. STATEHOOD. Continued debate on H. R. 7999, the Alaska statehood bill. pp. 8484-8521

5. FARM PROGRAM. Rep. Thomson commended administration farm policies, discussed recent improvements in various segments of agriculture, and stated "the situation today again proves that price supports at high levels are not in the best interests of agriculture." Other Representatives joined him in commending present policies. pp. 8524-28
6. ECONOMIC CONDITIONS. Rep. Vursell discussed current economic conditions and stated "we should face up to our responsibility, and stop wage and price inflation before this session of Congress adjourns." pp. 8522-24
7. SMALL BUSINESS. Rep. Patman inserted a letter from Gov. McFarland, Ariz., favoring legislation to establish a small business capital bank system. pp. 8528-28

SENATE

8. APPROPRIATIONS. Agreed to the conference report on H. R. 10746, the Interior appropriation bill for 1959. For information regarding Forest Service items, see Digest 80. This bill will now be sent to the President. pp. 8445-7
9. AGRICULTURE AND FORESTRY Committee reported the following bills:
Without amendment, H. R. 11399, to authorize the Secretary to set the level of price support for extra long-staple cotton at between 60 and 75 percent of parity (S. Rept. 1628);
With amendments, H. R. 376, to prohibit trading in onion futures on commodity exchanges (S. Rept. 1631);
Without amendment, H. R. 7953, to facilitate and simplify the work of the Forest Service (S. Rept. 1629); and
Without amendment, H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act (S. Rept. 1630). p. 8419
10. FOREIGN AID. The Foreign Relations Committee reported with amendment H. R. 12181, the mutual security authorization bill for 1958 (S. Rept. 1627). pp. 8419-20
Sen. Proxmire submitted and discussed three amendments to the foreign aid bill to bar all aid to Yugoslavia, the Dominican Republic, and Saudi Arabia. p. 8424
Sen. Morse discussed the mutual security authorization bill, urged it be strengthened, and announced that his proxy vote for Sen. Long did not indicate that Sen. Long favored the bill. pp. 8450-1
Sen. Wiley urged passage of the mutual security authorization bill and inserted his radio speech in favor of the bill. pp. 8451-2
Sen. Morse obtained unanimous consent to file his minority views and have them printed as part of the Senate report on the mutual security authorization bill. He urged that the bill be amended to contain more loans and fewer grants. pp. 8471-3
Received from the President the 13th semiannual report on the operations of the mutual security program (H. Doc. 368). p. 8417
Received from the Comptroller General an audit report on the Economic and Technical Assistance Program for Vietnam as conducted by ICA from 1955 to 1957. p. 8418
11. IMPORTS. Passed as reported H. R. 6006, to provide for greater certainty, speed, and efficiency in the enforcement of the Antidumping Act. pp. 8455-6

Calendar No. 1661

85TH CONGRESS }
 2d Session }

SENATE

{

REPORT
No. 1631

PROHIBITING FUTURES TRADING IN ONIONS

MAY 26, 1958.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

R E P O R T

[To accompany H. R. 376]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, having considered the same, report thereon with a recommendation that it do pass with amendments.

PURPOSE OF THE BILL

This bill would prohibit trading in onion futures on any board of trade in the United States. In 1955, because speculative activity in the futures market was apparently adversely affecting cash onion prices, Congress added onions to the commodities subject to regulation under the Commodity Exchange Act, effective September 24, 1955. This has not cured the situation, however. It now appears that speculative activity in the futures markets causes such severe and unwarranted fluctuations in the price of cash onions as to require complete prohibition of onion futures trading in order to assure the orderly flow of onions in interstate commerce. The committee held hearings on this matter last year and again this year. The need for the bill is fully discussed in those hearings and the report of the House Committee on Agriculture, which is attached hereto as exhibit A.

COMMITTEE AMENDMENT

The committee amendment is a technical one, designed to assure accomplishment of the purpose of the bill to prohibit futures trading in onions.

As passed by the House, the bill prohibits onion futures trading by or through members of contract markets. The Commodity Exchange Act, as amended in 1955, now prohibits onion futures trading, except

by or through members of contract markets. The effect of these two apparently contrary provisions when taken together is to prohibit all onion futures trading. In order to make it clear that this is the bill's effect (without requiring a comparison of different sections of the act), the committee amendment would provide a simple prohibition of onion futures trading.

The principal purpose of the Commodity Exchange Act is the regulation of futures trading. If H. R. 376 were to be enacted in the form in which it passed the House, onions would be the only commodity subject to the act for which futures trading is prohibited. Provisions of the act regulating futures trading, such as those dealing with the designation of contract markets, speculative trading limits, commission merchants and floor brokers, and other matters would be generally inapplicable to onions. On the other hand, the following provisions, which were intended to supplement the regulation of futures trading, and which do not appear appropriate in the absence of such regulation, might continue to be applicable to onions:

- (1) Section 4b to the extent that it prohibits unfair acts of members of contract markets and others with respect to "any contract of sale of any commodity in interstate commerce";
- (2) Section 4c which prohibits transactions used for hedging or certain other purposes related to interstate commerce, if of the character of wash sales, cross trades, accommodation sales, fictitious sales, privileges, indemnities, bids, offers, puts, calls, advance guaranties, or decline guaranties, or if used to report a false price;
- (3) Section 4g (dealing with reports by futures commission merchants and floor brokers) insofar as it relates to transactions outside the United States;
- (4) Section 4h (dealing with bucketshop operations);
- (5) Section 6 (b) insofar as it provides for denying trading privileges to any person manipulating the price of any commodity in interstate commerce;
- (6) Section 8 dealing with investigations and reports; and
- (7) Section 9 insofar as it provides penalties for manipulating prices in interstate commerce, cornering the commodity, and false information.

These provisions would be made inapplicable to onions by the committee amendment, which would remove onions from the list of commodities covered by the Commodity Exchange Act.

Enforcement of the prohibition under the terms of the bill as passed by the House would have been difficult and cumbersome, as indicated in the letter from the Commodity Exchange Authority attached hereto as exhibit B. The committee amendment therefore provides for a criminal penalty consisting of a fine of not more than \$10,000 or imprisonment for not more than 6 months, or both. In the case of an offense committed after a prior conviction both fine and imprisonment would be mandatory.

As passed by the House, the bill would be effective immediately upon enactment to prohibit all further trades. Literally this would prevent traders from liquidating their positions in the normal manner, through purchase or sale. Mr. Kauffman, Administrator of the Commodity Exchange Authority, testified on this at page 431 of the hearings held this year as follows:

The only difference, I believe, Mr. Chairman, is that the Senate bills provide an effective date some 60 days or so following enactment, and the House bill would take effect immediately except with respect to existing contracts. I think that might result in a very awkward situation. Technically, the moment the President signed that bill it would be unlawful for anyone to make a trade in onion futures. Then it provides that the trades already outstanding shall remain valid until liquidated or terminated. I am a little concerned by that language. It might be that the exchange would be in position to fix a settlement price and can stop all trading, but, of course, the only way these contracts could be liquidated would be either by delivery in the delivery month, and we know a very small percentage are so consummated, or by making an offsetting transaction with someone else, so that would mean that the trader who was long would have to find someone who was short in order to get out of his position. That might result in an awkward situation.

The committee amendment would provide an effective date 30 days after enactment so that traders would have an opportunity to liquidate their positions.

FEDERAL EXPENDITURE

It is estimated that enactment of the bill would result in no increase in Federal expenditures.

EXHIBIT A

[H. Rept. 1036, 85th Cong., 1st sess.]

The Committee on Agriculture, to whom was referred the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, having considered the same, report favorably thereon with amendment and recommend that the bill do pass.

The amendment is as follows:

Page 1, line 8, strike out the figure "4" and insert the figure "5".

STATEMENT

The purpose of this bill is to amend the Commodity Exchange Act so as to prohibit futures trading in onions on commodity exchanges designated as contract markets under that act. Public Law 174, 84th Congress, approved July 26, 1955, amended the Commodity Exchange Act to prohibit trading in onions futures except on contract markets. As further amended by this bill, the statute will carry both prohibitions.

BACKGROUND

Futures trading in onions is conducted on two markets, the Chicago Mercantile Exchange and the New York Mercantile Exchange. Trading on the Chicago Mercantile Exchange began in September 1942 and on the New York Mercantile in October 1946. Both exchanges conduct futures trading in onions meeting the requirements of the United States standards for northern grown onions, which

designation relates to type and not to geographical origin. However, the onions must be grown in the continental United States. Trading is conducted on both exchanges in the Yellow Globe Type onion contract. In addition, the Chicago Mercantile Exchange has a Sweet Spanish onion contract.

Yellow globe onions are grown in the late onion-producing States. Most of this production is in nine States: New York, Michigan, Wisconsin, Minnesota, Illinois, Ohio, Indiana, Massachusetts, and Iowa. Over the years late onions have accounted for approximately 75 percent of the total commercial onions in the United States. Yellow Globe onions are harvested in the months of August and September, and a considerable portion of the crop is placed in storage by producers and dealers. Most of the storage onions move into commercial channels from September through March when the early crop in Texas is harvested. Since late onions cannot be stored from one year to the next, the crop must be marketed during the same season.

Futures trading is conducted on the Chicago Mercantile Exchange in 4 delivery months—November, January, February, and March. Trading in the November future begins in the preceding winter prior to the spring planting season. Trading in the March future generally begins in the late summer or early fall and continues throughout the marketing season. Prices therefore are registered on the futures market the year round.

Practically all of the trading in onion futures has been in the Yellow Globe type contract on the Chicago Mercantile Exchange. There has been little trading in the Sweet Spanish type contract. In 6 of the last 7 years trading in Chicago has been in excess of 99.6 percent of the total. In no season has volume on the New York market exceeded 8.0 percent of the total. In 1955-56 trading at New York increased sharply but still accounted for only 4.6 percent of the total.

COMMITTEE ACTION

For the past several years there has been a growing conviction among onion producers that price variations on the futures market have been adversely affecting the cash price of onions. Violent fluctuations in the futures price of onions have tended to substantiate this position. In 1950 the March future ranged from \$1.28 to \$0.44 on the Chicago Mercantile Exchange during the month of March. In 1951 the range was from \$0.77 to \$2.07. In 1956, the March future ranged from a seasonal high of \$2.75 per 50 pound bag to \$0.84 on March 1, 1956, and a low of \$0.10 on March 15. Price movements of this sort cannot be attributed to supply and demand, and forced the conclusion that speculation, and in some instances manipulation, has been a dominant factor.

Until 1955 the Commodity Exchange Authority had no authority to regulate the trading in onion futures. In 1955, however, this committee reported and Congress enacted a bill placing onion futures trading under CEA authority. This bill was approved by the President on July 26, 1955, and CEA thereupon obtained jurisdiction over trading in onion futures and a limited measure of authority to regulate such trading on commodity markets.

In 1956 as the result of mounting protests from onion growers (and also, at that time, from potato growers) the chairman of this committee

designated a special subcommittee under the chairmanship of Hon. George M. Grant of Alabama to conduct hearings into futures trading in onions and potatoes. The committee was appointed on October 27, 1955, and conducted hearings that winter and the next spring and summer in Washington and at other points convenient to onion and potato producers.

In September 1956 the committee issued its report saying in substance that the basic economic activity involved is the physical production and distribution of onions and potatoes—not the trading in futures contracts for those commodities, that gyrations of the futures market have at times affected the cash price of onions and potatoes, and that unless futures market can be operated in such a way as to prevent injury to the producers of such commodities, futures trading should be prohibited.

1957 DEVELOPMENTS

Following the issuance of the committee report, some steps were taken by the Chicago Mercantile Exchange to tighten up the regulations relating to the trading in onions futures so as to prevent some of the price fluctuation and other conditions of which producers complained. A period of relative stability in the onion futures market ensued and continued until about February 1, 1957. At that time a "bullish" report of the National Onion Association (which has a membership of growers, shippers, and dealers) climaxed several days of equally bullish rumors and sent the price of March onion futures from \$1.15 on January 8, to \$2.20 per 50-pound sack on February 4. Thereafter, the reaction set in and by February 25, March futures had dropped to \$0.87.

HEARINGS

These gyrations set off a new wave of producer demands for the complete prohibition of trading in onion futures and hearings were set on H. R. 376, the bill reported herewith, and a number of similar bills: H. R. 1933, H. R. 1935, H. R. 3418, H. R. 5236, and H. R. 5732. At the hearing more than 40 witnesses appeared, the number being about equally divided between proponents and opponents of the bills under consideration. The testimony presented at the hearing was of exceptionally high caliber and represented in many instances a substantial amount of research and analysis on the part of the witness.

In addition to the various analyses of the matter presented by individual witnesses, special studies of the relationship between the futures market and the cash price of onions were made at the request of the committee by the Commodity Exchange Authority and the Agricultural Economics Division of the Department of Agriculture. These studies were made a part of the hearing record and together with the testimony presented by other witnesses, comprise probably the most exhaustive analysis of this subject which has been compiled.

In substance, the bulk of these studies appear to indicate:

(1) That while there may not be any effect on long-run or season average cash prices of onions resulting from futures trading, there is little doubt but that variations in price on the futures market do have a direct and pronounced effect over short periods of time on cash onion prices.

(2) In contrast to some other commodities where there is wide use of the futures market for hedging purposes by buyers of such commodities, there is relatively little buyer hedging in onion futures.

(3) That a number of growers do make use of the futures market and the record shows that there have been few, if any, years when the producer could not at some time during the growing season have hedged his production at a satisfactory price. The record is equally clear, however, that relatively few producers have the financial resources to engage in a substantial hedging operation.

(4) In spite of the improvements in the trading environment which have been brought about as the result of CEA jurisdiction and by action of the exchange itself, it seems quite clear that violent fluctuations can still take place on the futures market without any relationship to supply and demand factors and that these price fluctuations can and will have an effect on the cash onion market.

DEPARTMENTAL POSITION

Following is the letter from the Department of Agriculture stating its position on H. R. 376:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 13, 1957.

Hon. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives*

DEAR CONGRESSMAN COOLEY: This is with reference to your request for a report on H. R. 376.

This bill proposes to amend the Commodity Exchange Act so as to prohibit futures trading in onions on commodity exchanges designated as contract markets under the Commodity Exchange Act. The act, as amended effective September 24, 1955, now prohibits onion futures trading except on contract markets. If amended as proposed by H. R. 376, the statute would carry both prohibitions.

Effective with onion futures contracts maturing subsequent to March 1956, contract market regulations designed to improve storage and delivery practices have been adopted. Limits on speculative transactions and commitments in onion futures have been established by the Commodity Exchange Commission and have been in effect since September 1, 1956. And the facilities of the onion futures market are being used to a limited extent by growers and shippers of onions as a means of hedging price risks. By reason of perishability, limited storability, and inelastic demand, onions have a record of extreme price variability which long antedates the advent of futures trading in onions. The prohibition of futures trading in onions could not be expected to eliminate erratic price movements traditional in the marketing of this commodity. Should H. R. 376 receive the approval of the Congress, however, we are of the opinion that its enactment would not significantly affect the marketing or distribution of onions.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

E. T. BENSON, *Secretary.*

EXHIBIT B

DEPARTMENT OF AGRICULTURE,
COMMODITY EXCHANGE AUTHORITY,
Washington, D. C., March 21, 1958.

Mr. HARKER T. STANTON,

*Counsel, Committee on Agriculture and Forestry,
United States Senate.*

DEAR MR. STANTON: This refers to our telephone conversation today concerning the language of S. 778 and companion bills proposing to amend the Commodity Exchange Act by adding thereto a new section (sec. 4j) prohibiting futures trading in onions by or through a member of a contract market.

You requested a memorandum concerning the effect of the absence from these bills of any provision to amend section 9 of the Commodity Exchange Act so as to make a violation of proposed section 4j a violation of the penal provisions of the act.

As you recognize, in the absence of a provision subjecting violations of the proposed section to the criminal provisions of the statute, it would appear that the sole means of enforcement afforded by the act would be by way of administrative complaints.

Sections 5b and 6 (a) of the statute relate to administrative proceedings instituted by the Commodity Exchange Commission against a contract market for noncompliance with the provisions of the statute. The sanctions provided are suspension or revocation of contract-market designation. Sanctions are authorized pursuant to notice and hearing and subject to appeal to the United States court of appeals. Section 6b provides an alternative sanction in the form of a cease-and-desist order against the market, its officers, agents, etc., violation of which is made subject to fine or imprisonment or both.

Section 6 (b) provides for administrative proceedings against violators (other than contract markets). Such administrative proceedings are initiated by the issuance of complaints by the Secretary of Agriculture. Notice and hearing are provided. Violators may be denied trading privileges on all contract markets and registration as floor broker or futures commission merchant, or both, may be suspended or revoked, subject to appeal to the court of appeals.

As you know, administrative proceedings frequently are extremely time consuming. Should the proposal contained in S. 778 be adopted it would appear highly desirable from the standpoint of effective administration that reference to section 4j be incorporated in section 9 of the act.

Sincerely,

RODGER R. KAUFFMAN,
Administrator.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

COMMODITY EXCHANGE ACT

* * * * *

SEC. 2. (a) For the purposes of this Act "contract of sale" shall be held to include sales, agreements of sale and agreements to sell. The word "person" shall be construed to import the plural or singular, and shall include individuals, associations, partnerships, corporations, and trusts. The word "commodity" shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, [onions,] Solanum tuberosum (Irish potatoes), wool, wool tops, fats and oil (including lard, tallow, cottonseed oil, peanut oil, soybean oil and all other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans and soybean meal. * * *



85TH CONGRESS
2D SESSION

Calendar No. 1661

H. R. 376

[Report No. 1631]

IN THE SENATE OF THE UNITED STATES

MARCH 14, 1958

Read twice and referred to the Committee on Agriculture and Forestry

MAY 26, 1958

Reported by MR. ELLENDER, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 *That the Commodity Exchange Act is amended by inserting*
4 *after section 4i the following new section:*

5 “SEC. 4j. No contract for the sale of onions for future
6 delivery or subject to the rules of any board of trade in
7 the United States shall be made by or through a member of a
8 board of trade which has been designated under section 5
9 as a contract market.”

10 SEC. 2. This Act shall take effect immediately upon
11 enactment, except that contracts for futures trading in onions

1 executed prior to enactment shall remain valid and in effect
2 until either liquidated or terminated.

3 That (a) no contract for the sale of onions for future de-
4 livery shall be made on or subject to the rules of any board
5 of trade in the United States. The terms used in this Act
6 shall have the same meaning as when used in the Commodity
7 Exchange Act.

8 (b) Any person who shall violate the provisions of this
9 section shall be deemed guilty of a misdemeanor and upon
10 conviction thereof be fined not more than \$10,000, or im-
11 prisoned for not more than six months, or both; but if such
12 violation is committed after one conviction of such person
13 under this section such person shall be fined not more than
14 \$10,000 and imprisoned for not more than six months.

15 SEC. 2. Section 2 (a) of the Commodity Exchange Act,
16 as amended, is amended by striking out "onions,".

17 SEC. 3. This Act shall take effect thirty days after its
18 enactment. With respect to violations, liabilities incurred, or
19 appeals taken prior to such effective date, all provisions of the
20 Commodity Exchange Act, as amended, as they existed prior
21 to such effective date shall be deemed to remain in full force
22 and effect for the purpose of sustaining any proper suit,

1 action, or other proceeding with respect to any such violations,
2 liabilities, or appeals.

Amend the title so as to read: "An Act to prohibit trading in onion futures on commodity exchanges."

Passed the House of Representatives March 13, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

85TH CONGRESS H. R. 376
2D SESSION

[Report No. 1631]

AN ACT

To amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

MARCH 14, 1958

Read twice and referred to the Committee on Agriculture and Forestry

MAY 26, 1958

Reported with amendments

June 23, 1955

11. COTTON. Passed without amendment H. R. 11399, to authorize the Secretary to set the levels of price support for extra long-staple cotton at between 60 to 75 percent of parity. This bill will now be sent to the President. p. 10765
12. DEFENSE PRODUCTION. Passed without amendment H. R. 10969 (in place of a similar bill S. 3323), to extend the Defense Production Act for 2 years until June 30, 1960. This bill will now be sent to the President. pp. 10773-4
13. LIVESTOCK LOANS. Passed as reported H. R. 11424, to extend for 2 years, through July 14, 1961, the authority of the Secretary to extend or make supplementary advances to borrowers for special livestock loans. p. 10780
14. TOBACCO. Passed without amendment H. R. 11058, to reduce the acreage allotments of tobacco farmers who harvest more than one crop of tobacco in a year from the same acreage. This bill will now be sent to the President. p. 10780
15. NATURAL RESOURCES. Passed as reported S. 2517, to authorize the States to choose mineral lands in making selections in lieu of sections of public lands occupied before State claims were made. pp. 10781-3
16. SURPLUS FOODS. Passed without amendment H. R. 12164, to permit the donation of surplus foods to nonprofit summer camps for children without regard to the number of needy children actually enrolled. This bill will now be sent to the President. p. 10780
17. INSPECTION SERVICES. Passed without amendment S. 3873, to authorize the interchange of inspection services between executive agencies without reimbursement or transfer of funds. p. 10769
18. PROPERTY. Passed as reported S. 3142, to authorize the lease of Federal building sites until needed for actual construction. p. 10769
19. TRANSPORTATION. Passed as reported S. Res 303, to provide for a study of transportation policies in the United States by the Interstate and Foreign Commerce Committee, including the exemption provisions in the laws regulating transportation. p. 10773
20. MONOPOLIES. The Judiciary Committee ordered reported with amendment S. 11, to amend the Robinson-Patman Act to make price discrimination prima facie proof of violation of the law. p. D578
21. STATEHOOD. Began debate on H. R. 7999, to admit Alaska as a State. pp. 10766, 10786, 10803, 10804, 10804-10.
22. INFORMATION. At the request of Sen. Talmadge, passed over S. 921, to restrict the right of Federal officers to withhold information or records. p. 10765.
23. WATERSHEDS. At the request of Sen. Hruska, passed over H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act. p. 10765
24. ONION FUTURES. At the request of Sen. Hruska, passed over H. R. 376, to prohibit trading in onion futures on commodity exchanges. p. 10765

25. FARMER COMMITTEES. At the request of Sen. Talmadge, passed over S. 1436, to amend various provisions of law regarding ASC committees, to provide for the administration of the farm program by farmer elected committees, etc. p. 10766
26. BUILDINGS. At the request of Sen. Hruska, passed over S. 3560, to authorize construction of a \$20 million Federal building in Memphis, Tenn. p. 10766
27. TEXTILES. At the request of Sen. Talmadge, passed over H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products. pp. 10766-7
28. MINERALS. At the request of Sen. Mansfield, passed over S. 3817, to encourage exploration for minerals with Federal aid. p. 10769
29. TRANSPORTATION. At the request of Sens. Talmadge and Hruska, passed over S. 3916, to extend for two years provisions of the Shipping Act of 1916 to allow continuation of existing dual-rate contract agreements. p. 10774
30. SMALL BUSINESS. At the request of Sen. Clark, passed over H. R. 7963, to extend the Small Business Act of 1953, and increase the SBA loan authority. p. 10775
31. REORGANIZATION. At the request of Sen. Talmadge, passed over S. Res. 297, to disapprove Reorganization Plan No. 1 of 1958, to merge the Office of Defense Mobilization and the Federal Civil Defense Administration. p. 10776
Sen. Potter commended the adverse report of the Government Operations Committee on S. Res. 297, and the evaluation of the proposed merger. p. 10802
32. HUMANE SLAUGHTER. At the request of Sen. Talmadge, passed over H. R. 8308, to require the use of humane methods in the slaughter of livestock and poultry. p. 10780
33. FOREIGN TRADE. Sen. Thurmond submitted amendments to H. R. 12591, the trade agreements extension bill, proposing to limit the extension to 2 years and to require Congressional assent to Presidential action reversing findings of the Tariff Commission. p. 10804
34. EXTENSION. Sen. Johnston inserted an editorial on the death of Dr. F. Franklin Poole, President of Clemson College, S. C. pp. 10783-4
35. RECLAMATION. Received from the Interior Department a report that the Bountiful, Utah, Water Subconservancy District, had applied for a loan of \$3,510,000, under the Small Reclamation Projects Act. p. 10747

ITEMS IN APPENDIX

36. FOREIGN AID. Rep. Green inserted an article, "Over \$63 Million in Foreign Aid Shared by Eight Oregon Communities." pp. A5696-7
37. COTTON. Extension of remarks of Sen. Sparkman urging aid for cotton farmers and inserting an article, "Cotton's Decline, Long Foreseen, Still Pains Many Dixie Farmers--Some Quit, Wind Up On City Relief Rolls; Others Find Pinch Profits Harder." pp. A5697-8
38. DAIRY INDUSTRY. Extension of remarks of Sen. Proxmire inserting 2 Grange organization resolutions in support of his bill, S. 2952. p. A5698

BILLS PASSED OVER

The bill (S. 921) to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 8439) to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act, was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

PRICE SUPPORT FOR CROPS OF EXTRA-LONG-STAPLE COTTON

The bill (H. R. 11399) relating to price support for the 1958 and subsequent crops of extra-long-staple cotton was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KNOWLAND. Over.

Mr. ANDERSON. Mr. President, will the Senator from California withhold his objection for a moment, while I make a statement?

Mr. KNOWLAND. I withhold my objection.

Mr. ANDERSON. The bill will allow the producers of extra-long-staple cotton—and its production is confined to about 3 States—to have their support level reduced from 75 percent to 60 percent by the Secretary of Agriculture. This will enable those producers to meet the competition of Egyptian cotton. There never has been objection to such a proposal at any time it has been brought up. I know of no objection to it now. There certainly is no objection whatever on the part of those who produce this kind of cotton in west Texas, New Mexico, Arizona, and, in a small quantity, in California. The amount of production is small, perhaps only a few thousand bales.

The producers of this type of cotton have done well in developing a market for it.

The Senator from Arizona [Mr. HAYDEN] is fully acquainted with the development of this type of cotton. I know of no objection to the proposal.

Mr. KNOWLAND. I simply questioned whether the bill was calendar business. But since there has been an explanation of the bill—

Mr. ANDERSON. I assure the able Senator from California that there is no real objection to—

Mr. JOHNSTON of South Carolina. I handled the bill in the committee and reported it for the committee. I have heard of no opposition whatsoever to the bill from either side.

The bill would establish price support for extra-long-staple cotton at 60 to 75 percent of parity, instead of 75 percent as now required.

The United States does not produce its requirements of this type of cotton, and

the bill would put American cotton of this type in a better competitive position with similar foreign cotton, thereby giving American producers an opportunity to develop their markets.

The PRESIDING OFFICER. Does the Senator from California renew his objection?

Mr. KNOWLAND. No; I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 11399) was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act, was announced as next in order.

Mr. HRUSKA. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges was announced as next in order.

Mr. HRUSKA. Over.

The PRESIDING OFFICER. The bill will be passed over.

MARIA PONTILLO

The bill (S. 2850) for the relief of Maria Pontillo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria Pontillo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MISS ALLEGRA AZOUZ

The bill (S. 3042) for the relief of Miss Allegra Azouz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Miss Allegra Azouz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

FEOFANIA BANKEVITZ

The Senate proceeded to consider the bill (S. 2936) for the relief of Feofania Bankevitz, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Feofania Bankevitz may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That if the beneficiary is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *And provided further*, That the exemption granted herein shall apply only to a ground for exclusion of which the Department of Justice or the Department of State had knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Feofania Bankevitz."

BERNABE MIRANDA AND OTHERS

The Senate proceeded to consider the bill (S. 2983) for the relief of Bernabe Miranda, Manuel Miranda, and Anastacio Miranda, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the name "Miranda," where it appears the first time, to insert "and," and, in the same line, after the name "Miranda," where it appears the second time, to strike out the comma and "and Anastacio Minda," so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Bernabe Miranda, and Manuel Miranda, shall be held and considered to be the minor alien children of Sergeant First Class Elisha Miranda, a citizen of the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Bernabe Miranda and Manuel Miranda."

GEORGIOS PAPACONSTANTINOU

The Senate proceeded to consider the bill (S. 3130) for the relief of Georgios Papaconstantinou, which had been reported from the Committee on the Judiciary, with an amendment, in line 4, after the word "act", to strike out "Georgios Papaconstantinou shall be held and considered to be under 21 years of age" and insert "Georgios Papakonstantinou shall be held and considered to be the minor alien child of Mr. and Mrs. Gabriel Konstantinou, citizens of the United States.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Georgios Papakonstantinou shall be held and considered to be the minor alien child of Mr. and Mrs. Gabriel Konstantinou, citizens of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Georgios Papakonstantinou."

ADAMANTIA ANDRIKOPOULOUS (PAPPAS) PAPAVASILIOU

The Senate proceeded to consider the bill (S. 3305) for the relief of Adamantia Andrikopoulos (Pappas) Papavasiliou, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the name "Adamantia", to strike out "Andrikopoulos (Pappas)", and in line 8, after the words "United States", to insert a colon and "Provided, That no natural parent of the beneficiary, by virtue of such relationship, shall be accorded any right, status, or privilege under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Adamantia Papavasiliou, shall be held and considered to be the natural-born alien child of Mr. and Mrs. George (Pappas) Papavasiliou, citizens of the United States: *Provided,* That no natural parent of the beneficiary, by virtue of such relationship, shall be accorded any right, status, or privilege under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Adamantia Papavasiliou."

BILLS PASSED OVER

The bill (S. 3493) to amend the District of Columbia Unemployment Compensation Act of 1935, as amended, was announced as next in order.

Mr. TALMADGE. Mr. President, I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (S. 3918) to authorize the sale of nonessential vessels of the merchant marine national defense reserve fleet was announced as next in order.

Mr. TALMADGE. Mr. President, I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (H. R. 7999) to provide for the admission of the State of Alaska into the Union was announced as next in order.

Mr. TALMADGE. Mr. President, I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

EXCHANGE OF CERTAIN LANDS

The Senate proceeded to consider the bill (S. 3569) to authorize the Secretary of the Interior to exchange certain Federal lands for certain lands owned by the State of Utah, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 2, line 19, after the word "east", to strike out "864.65" and insert "864.35", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to accept on behalf of the United States from the State of Utah the conveyance in fee simple of the following described lands situated in such State:

Beginning at United States Government monument numbered 6 (monument numbered 6 is 876.31 feet south and 2,453.795 feet east more or less from the northwest corner of section numbered 4, township 1 south, range 1 east, Salt Lake meridian) and running thence south 480 feet to the south boundary of the United States Bureau of Mines property; thence west 60 feet; thence north 400 feet; thence west 544.5 feet; thence south 400.0 feet; thence west 60.0 feet; thence north 480 feet; thence east 664.5 feet more or less to the point of beginning and containing 2.32 acres more or less.

Sec. 2. In return for the lands described in the first section of this act the Secretary of the Interior is authorized and directed to convey by quitclaim deed to the State of Utah all right, title, and interest of the United States in and to the following described lands situated in such State:

PARCEL NO. 1

Beginning at a point 684.5 feet west of United States Government monument numbered 6 (monument numbered 6 is 876.31 feet south and 2,453.795 feet east more or less from the northwest corner of section numbered 4, township 1 south, range 1 east, Salt Lake meridian) and running thence north 160.0 feet; thence east 864.35 feet more or less to the east boundary of the United States Bureau of Mines property; thence north 0 degrees 00 minutes 50 seconds west 287.6 feet; thence south 67 degrees 11 minutes 40 seconds west 366.35 feet; thence north 88 degrees 21 minutes 10 seconds west 682.72 feet; thence south 325.41 feet; thence east 155.5 feet more or less to the point of beginning and containing 4.69 acres more or less.

PARCEL NO. 2

Beginning at a point 480 feet south of United States Government monument numbered 6; thence north 89 degrees 59 minutes 10 seconds east 200.00 feet; thence north 0 degrees 00 minutes 50 seconds west 136.10 feet; thence south 55 degrees 45 minutes 00 seconds west 241.92 feet more or less to the point of beginning and containing 0.31 acres more or less.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXCHANGE OF CERTAIN PROPERTY WITHIN DEATH VALLEY NATIONAL MONUMENT, CALIF.

The bill (H. R. 10349) to authorize the acquisition by exchange of certain properties within Death Valley National Monument, Calif., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1436) to amend section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, to provide for administration of farm programs by democratically elected farmer committeemen was announced as next in order.

Mr. TALMADGE. I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

CONVEYANCE OF CERTAIN PROPERTY TO THE VILLAGE OF CAREY, OHIO

The bill (S. 3139) to repeal the act of July 2, 1956, concerning the conveyance of certain property of the United States to the village of Carey, Ohio, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of July 2, 1956 (70 Stat. 486, ch. 496), is hereby repealed.

REMOVAL OF CLOUD ON TITLE TO CERTAIN REAL PROPERTY, STATE OF ILLINOIS

The bill (H. R. 7081) to provide for the removal of a cloud on the title to certain real property located in the State of Illinois was considered, ordered to a third reading, read the third time, and passed.

RECONVEYANCE OF CERTAIN REAL PROPERTY TO NEWAYGO, MICH.

The bill (H. R. 10009) to provide for the reconveyance of certain surplus real property to Newaygo, Mich., was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3560) to authorize the construction of a courthouse and a Federal office building in Memphis, Tenn., and for other purposes, was announced as next in order.

Mr. HRUSKA. By request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3912) to amend the Atomic Energy Act of 1954, as amended, was announced as next in order.

Mr. TALMADGE. Mr. President, I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (H. R. 469) to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, and for other purposes, was announced as next in order.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 14, 1958
For actions of July 11, 1958
85th-2d, No. 116

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HIGHLIGHTS: Senate passed omnibus housing bill. House subcommittee reported bill to facilitate insured loans. Senate passed minerals stabilization payments bill. Senate passed bill to prohibit trading in onion futures.

SENATE

1. **ONION FUTURES.** Passed as reported H. R. 376, to prohibit trading in onion futures, remove onions from regulation under the Commodity Exchange Act, provide criminal penalties for violations of the provisions of the bill, and make the bill effective 30 days after enactment. pp. 11290-300
Sen. Barrett submitted, and later withdrew, a proposed amendment to prohibit futures trading in wool and wool tops. pp. 12295-96
2. **MINERALS.** Passed, 70 to 12, with amendments S. 4036, to provide stabilization payments to certain minerals producers. pp. 12239, 12256-78, 12281-90
3. **PERSONNEL.** Passed with amendment S. 3195, to authorize certain retired personnel of the U. S. Government to accept and wear decorations, presents, and other things tendered them by certain foreign countries, including certain retired employees of this Department. pp. 12239-55
S. 1411, to give agencies discretion in suspending Federal employees prior to security hearings, was referred to the Post Office and Civil Service Committee for study of the House amendments to the bill. pp. 12255-56

Agreed to H. Con. Res. 175, proposing a Code of Ethics for Government service. pp. 12331-32

4. CIVIL DEFENSE. The Armed Services Committee reported with amendments H. R. 7576, to amend the Federal Civil Defense Act of 1950 so as to permit the expansion of the civil-defense activity of the Federal Government to assume more responsibility for the national program (S. Rept. 1831). p. 12230
5. FORESTRY. Sen. Neuberger inserted a newspaper editorial supporting enactment of legislation for the establishment of wilderness areas on public lands. pp. 12238-39
6. SMALL BUSINESS. Agreed to the conference report on H. R. 7963, to make the Small Business Administration a permanent agency, increase the revolving fund and loan limitations, and allow SBA to do research for small firms. This bill will now be sent to the President. p. 12256
7. HOUSING. Passed with amendments S. 4035, proposed Housing Act of 1958, which includes a provision extending the authority for farm housing research under HHFA for 3 years and authorizing appropriation of \$100,000 per year for this purpose (p. 12307). pp. 12300-31
8. BUDGETING. Sen. Proxmire inserted Sen. Kennedy's testimony before the Appropriations Committee in favor of substituting S. 434, an accrued expenditures budgeting bill, for the House-passed bill, H. R. 8002, on the same subject. pp. 12280-1
9. SUGAR; WOOL. Sen. Watkins inserted a statement he had prepared defending price support payments to beet sugar and wool producers, including tables showing the number and amount of payments to producers by States. pp. 12286-289
10. NOMINATION. Confirmed the nomination of Leo A. Hoegh as Director of the Office of Defense and Civilian Mobilization. p. 12336
11. LEGISLATIVE PROGRAM. Sen. Johnson announced that the farm bill (S. 4071) would be taken up following consideration of the pending business. p. 12332
12. ADJOURNED until Mon., July 14. p. 12336

HOUSE

13. FARM LOANS. The Conservation and Credit Subcommittee ordered reported to the Agriculture Committee H. R. 10965, to improve the FHA insured loan program under title I of the Bankhead-Jones Farm Tenant Act. p. D667
14. RECLAMATION. The Irrigation and Reclamation Subcommittee ordered reported to the Interior and Insular Affairs Committee S. 4002 and H. R. 13018, to authorize the Gray Dam and Reservoir as a part of the Glendo Unit of the Missouri River Basin project. p. D667

ITEMS IN APPENDIX

15. HUMANE SLAUGHTER. Sen. Monroney inserted an editorial, "A Merciless Stall," criticizing the Senate Agriculture and Forestry Committee for not taking immediate action to report the humane slaughter bill. p. A6240

Payments under the National Wool Act of 1954—Number and amount of wool and unshorn lamb payments for the 1956 marketing year, by States and congressional districts¹—Continued

State and congressional district	Shorn wool payments		Unshorn lamb payments		Total payments	State and congressional district	Shorn wool payments		Unshorn lamb payments		Total payments	
	Number	Amount	Number	Amount			Number	Amount	Number	Amount		
South Dakota:												
1-----	10,496	\$920,794.71	7,132	\$244,896.09	\$1,165,690.80	Virginia:	208	\$7,355.06	54	\$6,458.08	\$13,813.14	
2-----	2,059	1,128,397.32	1,648	187,814.74	1,316,212.06	1-----	14	187.81			187.81	
Total-----	12,555	2,049,192.03	8,780	432,710.83	2,481,902.86	2-----	36	987.80	1	11.40	999.20	
Tennessee:						3-----	398	10,341.93	121	1,622.81	11,964.74	
1-----	232	9,062.76	176	2,807.28	11,870.04	4-----	5	25,822.11	570	8,699.00	34,521.11	
2-----	90	3,789.08	68	1,243.67	5,032.75	5-----	781	18,084.19	394	6,420.77	24,504.96	
3-----	82	2,962.96	66	849.71	3,812.67	6-----	529	149,122.18	2,492	51,343.22	200,465.40	
4-----	3,526	140,344.72	2,954	50,946.44	191,291.16	7-----	865	39,088.10	454	9,210.02	48,298.12	
5-----	69	2,264.54	43	699.68	2,964.22	8-----	1,752	82,404.11	1,357	30,866.50	113,270.61	
6-----	1,071	60,044.63	899	22,514.15	82,558.78	9-----	17	548.31	1	51.96	600.27	
7-----	167	9,749.59	143	3,065.48	12,815.07	Total-----	8,223	333,941.90	5,334	114,683.76	448,625.36	
8-----	286	20,011.81	229	5,453.20	25,465.01							
9-----	18	395.84	2	14.03	409.87							
Total-----	5,541	248,625.93	4,580	87,593.64	336,219.57							
Texas:												
1-----	192	23,047.84	80	1,815.80	24,863.64	Washington:	1-----	11	155.90		155.90	
2-----	40	1,202.48	2	19.17	1,221.65	2-----	268	17,161.99	74	3,399.52	20,561.51	
3-----	46	1,870.72	10	208.01	2,078.73	3-----	299	14,367.64	80	1,359.59	15,727.23	
4-----	573	38,846.48	285	6,459.43	45,305.91	4-----	822	318,787.16	452	84,298.17	403,085.33	
5-----	214	7,381.69	38	767.01	8,148.70	5-----	336	60,797.32	172	14,130.02	74,927.34	
6-----	419	37,433.36	243	5,018.78	42,452.14	6-----	185	6,332.60	10	151.75	6,484.35	
7-----	57	3,066.73	10	427.45	3,494.18	Total-----	1,921	417,602.61	788	103,339.05	520,941.66	
8-----	49	1,543.26			1,543.26							
9-----	1,020	26,209.83	30	474.36	26,684.19							
10-----	2,231	443,226.55	618	20,907.45	464,134.00	West Virginia:	1-----	521	32,493.06	164	2,026.18	34,519.24
11-----	1,748	249,053.54	643	15,533.74	264,587.28	2-----	4,217	155,919.05	2,765	50,056.33	205,975.38	
12-----	430	53,902.07	256	3,279.69	61,181.76	3-----	1,993	49,709.31	1,475	17,545.26	67,254.57	
13-----	706	49,247.23	459	10,136.94	59,684.17	4-----	624	19,206.26	376	4,285.90	23,492.16	
14-----	844	69,290.22	147	2,448.37	71,768.59	5-----	1,336	43,712.36	871	15,316.54	59,028.90	
15-----	212	66,478.64	49	2,025.16	68,503.80	6-----	90	3,185.62	51	685.41	3,871.03	
16-----	779	1,610,800.27	545	161,395.66	1,772,195.53	Total-----	8,781	304,225.66	5,702	89,915.62	394,141.28	
17-----	1,879	426,565.85	943	40,232.72	466,798.57							
18-----	176	21,838.03	112	7,641.58	29,479.61	Wisconsin:	1-----	899	44,645.65	297	8,593.43	53,239.08
19-----	36	129,766.56	166	16,038.30	145,804.86	2-----	1,145	45,829.73	376	8,292.34	54,122.07	
20-----	119	18,276.20	21	325.91	18,602.11	3-----	1,924	69,456.64	1,041	16,202.26	85,658.90	
21-----	8,669	4,888,376.71	4,455	375,601.88	5,263,938.59	4 and 5-----	26	737.71	1	24.45	762.16	
Total-----	20,767	8,167,424.26	9,112	675,047.01	8,842,771.27	6-----	543	17,531.93	166	2,648.39	20,180.32	
Vermont: At large, total-----	253	10,581.10	64	1,171.88	11,752.98	7-----	793	30,170.64	383	6,055.27	36,225.91	
8-----						8-----	359	10,627.30	132	1,951.78	12,579.08	
9-----						9-----	1,526	63,276.63	732	12,892.49	76,169.12	
10-----						10-----	607	28,333.22	298	5,769.87	34,103.09	
Total-----	3,398	2,074,170.46	1,938	455,813.76	2,529,984.22	Wyoming: At large, total-----	7,822	310,609.45	3,426	62,430.28	373,039.73	
United States-----						Total-----	3,207	3,660,138.09	2,410	570,626.44	4,230,764.53	
United States-----	287,224	43,792,675.06	156,817	7,832,473.61	51,625,148.57							

¹ Source: Compiled from reports submitted by ASC county offices, Feb. 28, 1958.

² No unshorn lamb payments in this State.

Mr. CARROLL. Mr. President, anyone familiar with the economics of the metal-mining industry in this Nation fully understands that its present situation is desperate.

For more than 10 years some of us have sought, through legislative and executive action, to bolster the sagging fortunes of this vital industry.

The reason for this legislation before us is crystal clear. The Tariff Commission was divided. In a split decision, it recommended either higher tariffs or a quota system or both. The executive branch, under existing law, either does not know what to do or knowing what to do has refused to act following the recommendations of the Tariff Commission. The purpose of this bill has been so ably outlined by the chairman of the Interior Committee, the able senior Senator from Montana [Mr. MURRAY], and the distinguished assistant majority leader, the junior Senator from Montana [Mr. MANSFIELD], and the able junior Senator from Nevada [Mr. BIBLE], that it is not necessary for the junior Senator from Colorado to repeat the reasons offered for the passage of this proposed legislation.

As a member of the Minerals Subcommittee, I have spent considerable time working on and analyzing this bill. I am frank to say that I wish I knew of another way to solve and settle the problems of the metal-mining industry other than through this type of legislation but, to be equally candid, under existing conditions, I know of no other way at this time whereby the metal-mining industry of this Nation can be saved and the closing of the mines and the consequent growing unemployment resulting therefrom can be prevented.

Let us examine the metal-mining industry in the State of Colorado, by way of example. In the past few years many mines have closed, unemployment continues to spread, and if existing conditions continue the industry will die. This has been brought about through no fault of management or labor, but as a result of increased shipments of ores from foreign countries whose labor and other mining costs are extremely low when compared to our labor and other mining costs. These imports of foreign ore have seriously depressed the market price of domestic ore to the extent that American mines can no longer operate

successfully in a free, competitive market.

This, then, is the real purpose of this proposed legislation: to support the metal-mining industry of the Nation and to stabilize the market price of lead, zinc, tungsten, and fluorspar in order to sustain an industry that is not only vital to our national defense but to the economy of more than 20 States in which these metals are mined.

Mr. President, since the last war we have appropriated millions of dollars for minerals through one technique or another, stockpiling for example, and I think that the time has come for us to try another approach to the solution of this important problem.

As I have said before, I have worked hard and thought long about the merits of this bill and I see no other alternative under present conditions and circumstances except to approve its passage. Only time, proper administration, and experience will inform us as to the wisdom of our action.

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Without objection, it is so ordered.

The question is, shall the bill pass? On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). On this vote, I have a pair with the junior Senator from Tennessee [Mr. GORE]. If the junior Senator from Tennessee [Mr. GORE] were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Florida [Mr. HOLLAND], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Georgia [Mr. TALMADGE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Virginia [Mr. BYRD] and the Senator from Minnesota [Mr. HUMPHREY] are absent because of illness in their families.

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Tennessee would vote "yea."

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Florida [Mr. HOLLAND], the Senator from Washington [Mr. JACKSON], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Georgia [Mr. TALMADGE], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The result was announced—yeas 70, nays 12, as follows:

YEAS 70

Aiken	Goldwater	Morton
Allott	Green	Mundt
Anderson	Hayden	Murray
Barrett	Hennings	Neuberger
Beall	Hickenlooper	O'Mahoney
Bennett	Hill	Pastore
Bible	Hoblitzell	Payne
Bricker	Hruska	Potter
Butler	Ives	Proxmire
Capehart	Javits	Revercomb
Carlson	Johnson, Tex.	Russell
Carroll	Johnston, S. C.	Schoeppel
Case, N. J.	Jordan	Smathers
Church	Kennedy	Smith, N. J.
Clark	Knowland	Sparkman
Cooper	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Malone	Thurmond
Dworshak	Mansfield	Thye
Eastland	Martin, Iowa	Watkins
Ellender	McClellan	Wiley
Evin	McNamara	Young
Fear	Monroney	
Fulbright	Morse	

NAYS—12		
Bridges	Jenner	Robertson
Bush	Long	Saltonstall
Cotton	Martin, Pa.	Smith, Maine
Douglas	Purtell	Williams

NOT VOTING—14		
Byrd	Holland	Lausche
Case, S. Dak.	Humphrey	Magnuson
Chavez	Jackson	Talmadge
Flanders	Kefauver	Yarborough
Gore	Kerr	

So the bill (S. 4036) was passed.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Montana.

The motion to lay on the table was agreed to.

PERSONAL STATEMENT BY
SENATOR MORSE

During the consideration of the minerals bill under a unanimous-consent agreement limiting debate,

Mr. MORSE. Mr. President—

The PRESIDING OFFICER. The Senate is operating under a unanimous-consent agreement.

Mr. BIBLE. How much time does the Senator from Oregon desire?

Mr. MORSE. I wished to speak on a matter of personal privilege.

Mr. BIBLE. I am delighted to yield 3 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I rise to a matter of personal privilege. On July 8, 1958, I submitted for publication in the CONGRESSIONAL RECORD—and there is printed at page 11928—a very critical editorial about the senior Senator from Oregon, which was published originally in the Capital Journal, of Salem, Oreg.

It is an editorial which seeks to spread the smear that any Member of the Senate who receives a contribution in a political campaign from workers who are members of unions in some way or somehow is tarred with the brush of conflict of interest and is not a free man.

I was discussing that general subject on July 8, when I submitted the editorial for printing in the RECORD. I did so to give the Senate some direct information on the type of attack which is being made, unjustifiably, upon Senators in respect to campaign contributions.

I overlooked the fact that the editorial also made some unkind references to one of my dearest friends, the Senator from Michigan [Mr. McNAMARA]. The editorial contained the misrepresentation of fact which had previously been used by David Lawrence in one of his columns, in which he had said that in 1954 a total of \$725,000 was spent by the United Automobile Workers-CIO in support of Senator McNAMARA in Michigan. Of course that is pure fancy; it has no basis in fact.

I regret that the statement about Senator McNAMARA's election was contained in the editorial of the Oregon newspaper which attacked me. If I had to do over, I would ask to have the editorial edited in regard to any reference

to the Senator from Michigan [Mr. McNAMARA]. I have expressed my sincere apologies and regrets to the Senator from Michigan that I inserted anything in the RECORD which further publicized the injustice David Lawrence had previously done to him.

All this is further evidence of the type of campaign which is being carried on in this country by those who seem to believe that Members running for Congress should not accept, through their finance committees, campaign contributions from workers. Apparently it is all right to accept campaign contributions from other sources, but it is wrong to accept such contributions from workers.

I wish to repeat what I said on July 8, namely, that those who seem to think that campaign contributions from workers or other sources buy United States Senators simply do not know the record of the United States Senate. Liberals get support from liberal sources, and conservatives get support from conservative sources. The test is: What does the man do in the Senate?

I am very proud to point to the Senator from Michigan [Mr. McNAMARA] as a man who demonstrates that he sits in the Senate and exercises an honest independence of judgment on the merits of issues, and votes on them accordingly without obligation to any campaign contributors as the Senator from Oregon has done for 13 years.

PROHIBITION OF TRADING IN
ONION FUTURES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 1661, H. R. 376, amending the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That (a) no contract for the sale of onions for future delivery shall be made on or subject to the rules of any board of trade in the United States. The terms used in this act shall have the same meaning as when used in the Commodity Exchange Act.

(b) Any person who shall violate the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof be fined not more than \$10,000, or imprisoned for not more than 6 months, or both; but if such violation is committed after one conviction of such person under this section such person shall be fined not more than \$10,000 and imprisoned for not more than 6 months.

SEC. 2. Section 2 (a) of the Commodity Exchange Act, as amended, is amended by striking out "onions."

SEC. 3. This act shall take effect 30 days after its enactment. With respect to violations, liabilities incurred, or appeals taken

prior to such effective date, all provisions of the Commodity Exchange Act, as amended, as they existed prior to such effective date shall be deemed to remain in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violations, liabilities, or appeals.

Mr. JOHNSON of Texas. Mr. President, I send to the desk a proposed unanimous-consent order, and ask for its immediate consideration.

The PRESIDING OFFICER. The proposed order will be read.

The proposed unanimous consent agreement was read, as follows:

Ordered, That effective during the consideration of the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the proposed unanimous consent agreement? The Chair hears none, and it is so ordered.

Mr. POTTER. Mr. President, will whoever controls the time yield me some time?

Mr. JOHNSON of Texas. Will the Senator withhold his request until a brief statement has been made by the chairman of the committee which reported the bill?

Mr. POTTER. Yes.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Louisiana [Mr. ELLENDER].

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, this is a very simple bill. It contains but 3 sections. I wish to say that the Committee on Agriculture and Forestry held hearings on this bill on 2 different occasions. On the last occasion, at which time I presided, the committee found it necessary to take the House bill and change it because in its form at that time it would not accomplish what proponents of the bill expected. Let me explain. The Commodity Exchange Act was placed on the statute books for the express purpose of regulating futures in various commodities, and in 1955 onions were added to the list of commodities covered by that act.

The bill as passed by the House sought to prohibit futures trading in onions, while the Commodity Exchange Act itself was designed to regulate futures trading.

The House bill, by amending the Commodity Exchange Act so that it both prohibited onion futures trading and regulated the manner in which it was to be conducted created a contradictory and confusing situation.

We also found that there was no provision for a penalty for those who violated the law, under the House provisions.

In order to conform the bill with what I thought the proponents of the bill desired, I followed the following course: The proponents, by the way, were farmers from all over the Middle West and East, where large amounts of onions are produced. In order to provide the proponents of the bill with an effective piece of legislation with teeth in it, so as to make it possible to punish violators, the Committee on Agriculture and Forestry decided to rewrite the bill.

The bill would prevent futures trading of onions. Under its provisions, anyone who engages in futures trading in violation of the law will be subject to a fine of up to \$10,000 or imprisonment for up to 6 months. In case of a second violation the judge would be compelled to impose both fine and imprisonment.

Mr. President, that is about the sum and substance of the bill. The committee gave very careful consideration to this measure. There were only 3 members who voted against it as compared to 12 members of the committee who supported the bill as presented to the Senate. As chairman of the committee considering this bill, I have tried to report this bill back to the Senate in proper form for consideration by the Senate. I would, however, like to make it clear that I do not favor the subsistence of the bill because I agree with the position of the Department of Agriculture set forth in its letter on page 6 of the committee report as follows:

The prohibition of futures trading in onions could not be expected to eliminate erratic price movements traditional in the marketing of this commodity. Should H. R. 376 receive the approval of the Congress, however, we are of the opinion that its enactment would not significantly affect the marketing or distribution of onions.

I do not think that the bill will accomplish its purpose and I do not believe that it should or will serve as a precedent for similar action with respect to other commodities.

Mr. President, I ask unanimous consent to have printed in the RECORD in connection with my remarks an explanation of the technical aspects of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF H. R. 376

This bill would prohibit trading in onion futures. Congress brought onions under the Commodity Exchange Act in 1955 in the hope that regulation under that act would eliminate the adverse effects when speculation in onion futures was then having on cash onion prices. Now, after over 2 years of regulation, it appears that speculative activities in onion futures is continuing to interfere with cash prices and the orderly marketing of onions in interstate commerce.

The committee amendment to the text of the bill does not in any way change the pur-

pose of the bill. As passed by the House the bill prohibited trading in onion futures. However, as the bill was worded, it was necessary to refer to the provisions of the Commodity Exchange Act which prohibited onion futures trading other than by or through members of contract markets in order to understand the effect of the bill. The committee amendment would simplify this by providing for a simple and direct prohibition of onion futures trading, which is contained entirely in the bill itself.

As the bill was passed by the House, no criminal penalties were provided for its enforcement. The committee amendment provides for such penalty.

The committee amendment would further remove onions from regulation under the Commodity Exchange Act. The purpose of that act is the regulation of futures trading and, since the bill prohibits futures trading in onions, it is not appropriate to continue onions subject to the act.

As passed by the House the bill would have been effective immediately upon enactment, and traders would have been left without any means of liquidating their positions other than by delivery. Since, in probably 99 percent of the cases, actual delivery was never contemplated, this would achieve an unfair result. The committee amendment would therefore make the bill effective 30 days after enactment. Further, since the committee amendment would remove onions from the provisions of the Commodity Exchange Act, the committee amendment includes a savings clause with respect to offenses occurring before its enactment.

The PRESIDING OFFICER (Mr. FREAR in the chair). The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Michigan [Mr. POTTER].

The PRESIDING OFFICER. The Senator from Michigan is recognized for 5 minutes.

Mr. POTTER. Mr. President, this proposed legislation has strong support from an overwhelming majority of onion growers, shippers, and receivers in all parts of the country. It is certainly true in my own State of Michigan that more than 95 percent of all growers and shippers of onions are opposed to continued trading in onion futures, and I am reliably informed that the same is true in all other onion producing sections of the country.

Resolutions opposing trading in onion futures are on record by the National Onion Association, the American Farm Bureau Federation, 13 State farm bureau groups, from New York, Ohio, Michigan, Indiana, Wisconsin, Iowa, Minnesota, Colorado, Utah, Idaho, Oregon, Washington, and California. The United Fresh Fruit and Vegetable Association, Vegetable Growers of America, Texas Citrus and Vegetable Growers and Shippers, Western Growers Association, and numerous other farm organizations.

This is an agricultural industry which has never had any type of Government aid and has never asked for any. Growers and shippers ask only that they be allowed a free hand in meeting their marketing problems without interference from outside influences, factors unrelated to the onion industry in every way.

Futures trading in onions was instituted some 15 years ago by the mercantile exchanges over strenuous objections

from the onion industry—growers and shippers alike. Growers did not need a futures market and feared that trading in futures would disrupt orderly marketing procedures. Their fears were well-grounded.

The onion industry has no criticism of futures markets in staple commodities—cotton, grain, sugar—nonperishable commodities basic to various manufacturing processes. With these commodities real economic services are rendered. Hedging on the part of both producers and buyers lends stability to the industries concerned.

In onion futures trading the opposite is true. The onion futures market renders little, if any, service to anyone except the speculator. Futures trading in onions constantly disrupts the orderly marketing of the crop. On the long side of the market, very little buying is done except by speculators. Few onions are purchased for processing of any kind and very little futures buying is done by any processors. No receiver or processor can successfully hedge against his anticipated requirements by buying futures. In buying, a purchaser has only a contract calling for delivery any time within a specified month. If he has bought 15 cars to meet his needs in March, he may get all 15 on March 1 or, just as likely, all 15 during the last 5 days of the month. The buyer, either a processor or retailer, needs regular daily supplies, so many each day during the month, but delivery within the month is at the option of someone other than himself. Further, most buyers know well that they cannot expect quality to meet their needs from board delivery onions.

In the marketing of most of the onion crop, each buyer purchases the raw product, adds his service cost and passes the raw product on to the ultimate consumer. Users of onions have little need of an opportunity to hedge their purchases and they do very little of it.

With almost 100 percent of all purchases of onion futures contracts classed as speculative, let us look at the selling side. Do growers use futures extensively to hedge? Certainly not, according to a survey of open contracts on the Chicago Mercantile Exchange as of October 31, 1957, recently prepared and released by the Commodity Exchange Authority.

This report by a government agency shows 89.6 percent of all traders were speculators. Of the remaining 10.4 percent, more than half of the short contracts, classed as hedgers, were actually contracts held by brokers based on financing contracts with growers. Under those contracts to finance a grower, there is usually no delivery of cash onions in settlement, according to the CEA report. The contract is closed out on a basis of a money settlement. The broker, through financing a grower's operation, has used the grower's onions to protect the broker's speculative position. Actually, then, less than 5 percent of the trading can be classed as true hedging. The CEA states that it does not appear that the hedging use of the futures market has been of such character as to be of importance in marketing onions.

To illustrate further how completely speculative this onion futures game is, in 1 season of 5 months' trading—I say 5 months' trading, because all trading in the crop of any one year must end in March—in 1 season's trading over 130,000 carload contracts were dealt in but only 1,300 cars of actual onions were delivered—about 1 percent. In the 1956-57 season, total actual onions handled through the futures market was only 615 cars. The total northern crop of onions would run somewhat over 50,000 cars. Yet, pressures of a system handling only 615 of these cars constantly disrupts and depresses the total cash market.

An excellent example of this disrupting influence is cited in another CEA report, one issued in March 1957. According to this report the onion futures market reached a high of \$2.20 per 50-pound sack on February 4. Three weeks later, on February 25, the price of the March futures on the Chicago Mercantile Exchange registered a low of 87 cents, a drop of 60 percent. During March there was a substantial recovery with the futures expiring on March 22 at \$1.58-\$1.60. Quoting this CEA report:

Price movements such as this cannot be justified by supply and demand factors and must be attributed either to manipulative activity or, as appears to be the case in this instance, to a wave of excessive speculation.

Further quoting the CEA report:

At that time (early February) informed market opinion was expressed that this interruption in the orderly process of marketing onions would result in a delay in disposing of the old crop, with a resultant shrinkage and deterioration which might be expected to have a disastrous effect upon the market.

During the spring of 1956 a series of breaks drove the market down to 10 cents per 50-pound bag before trading ended in March. Empty new bags cost 20 cents each or twice the level of the futures market. These breaks are spectacular, but small breaks are maneuvered from time to time throughout every trading season. During the current season breaks varying from 15 cents to 30 cents per 50-pound bag in 1 day have occurred. Again quoting the CEA reports:

It is clear that futures trading in onions has widened and accentuated price movements over short periods of time within a marketing season.

Such wild maneuvering in onion futures as I have described tends to create in the public mind distrust of all futures markets, even in the staple, large volume commodities.

Such raids on the onion futures market constantly disrupt and depress cash markets. During delivery months for several years, the futures price has been consistently below cash markets, constantly pulling them down. The only exceptions to this have been short periods, since the introduction of the current legislation, when the exchanges were attempting to make the futures picture appear attractive.

When breaks such as the one a year ago occur, growers find the value of their remaining stock on hand suddenly

cut to as little as a third of its previous value, shippers find business completely disorganized and receivers suffer on all stocks on hand or shipments en route.

Several changes have been made in exchange regulations to supposedly correct the evils. None of the changes have so far eliminated the fact that the onion futures market is in the control of a small group of individuals; none of the changes have altered the fact that the onion futures can be and are frequently driven down at the whim of a small group. It must be noted, too, that no corrective changes were made until forced by the pressure of the current legislation. These changes are made only by the governing bodies of the exchanges and can be, and will be, reversed if the pressure is removed.

The nature of the commodity itself is such that it makes futures trading impractical and regulation impossible. Onions, compared to the stable futures commodities, are highly perishable. All trading in a season's crop must terminate in March. Perhaps more important is the small volume of the crop which makes control and maneuvering by a small group so easy, and regulation so impossible. The total northern onion crop of about 30 million bushels is minute compared to the volume of staples such as cotton and grains. Even then only a fraction of this 30 million bags qualifies as to variety and grade for futures trading.

The whole system of futures trading in onions with its very high percentage of speculation, involving little or no merchandise, becomes simply bets placed by two parties as to whether the price of onions will go up or down. Supposedly the broker holds the stakes, a deposit of \$300 a car required with each contract, and receives a \$20 fee per car for his services. In many instances the broker is one of the betting parties. This is still all good clean fun. But now comes the efforts to force the onion price to move in the direction desired, usually down. In sports, any effort to fix a game to favor a betting group becomes a national scandal. In onions, the same thing has passed as shrewd business. It has become common practice to use several devices to depress the market in a manner entirely unrelated to supply and demand. The methods are particularly effective due to the small volume and perishable nature of the commodity. Once the market is so depressed, the short operators, those who have sold futures, reap their profit by buying back at the lower prices, thus canceling out their contracts.

Due to the forces of the true supply-and-demand situation, the market gradually recovers part of the forced drop. The process is then repeated. What matter if onions are driven down to 10 cents a bag as long as a profit can be made with each maneuvered break? Onions merely correspond to poker chips in this enormous gambling operation. The difference is that as the value of the poker chips is depressed, the livelihood of the onion growers and shippers is

jeopardized in a game which they do not want and have no part in.

Trading in onion futures renders no service, disrupts the orderly distribution of an item in our food supply, and seriously undermines the financial status of a segment of our farm population. The elimination of onion futures trading would fulfill the basic concept of the law, that of restraining our destructive tendencies without violating or disturbing our peaceful creative activities.

Mr. JAVITS. Mr. President, will the Senator yield for a brief question?

Mr. POTTER. I yield to the Senator from New York.

Mr. JAVITS. I thank the Senator. I should like to ask a question especially with reference to futures markets in staple commodities.

Since I represent, in part, a great trading center and a State in which there are many dealings in securities and commodities, I should like to ask the Senator if he will distinguish the unique situation of onions from the other futures trading in various commodities, minerals, metals, and so forth.

Mr. POTTER. In the first place, onions are a perishable commodity. In the second place, onions have one growing season. In the third place, there are a small number of onion growers.

The growers themselves are not particularly interested in hedging on the established market. The speculators are the ones who desire to do that. About 90 percent of the activity on the mercantile exchange is done by speculators as a means of depressing the price. For the past 6 years we have observed the market price for onions has been less than the production cost. With a small amount of money very few people can speculate in the futures of onions to the great disadvantage of the onion producers. It is a situation quite different from other market operations, due to the fact that onions are an extremely perishable commodity, there are a small number of growers, and there is a short season.

Mr. JAVITS. May I ask the chairman of the committee, so that we may have it authoritatively stated, if this is a situation uniquely applicable to the one commodity, not intended to be a precedent and not intended to be the beginning of an effort to eliminate trading in other kinds of futures of agricultural commodities?

Mr. ELLENDER. That is what I tried to impress upon the Senate. This bill should certainly not be regarded as a precedent insofar as other commodities are concerned.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I yield myself a half minute.

I heartily concur in the answer given the Senator from New York by the Senator from Louisiana. This bill is not intended as a precedent with regard to any other commodity. I think it is very important and very essential that the proposed legislation be passed because of the peculiar situation.

Mr. POTTER. Mr. President, will the Senator yield me another minute?

Mr. JOHNSON of Texas. I yield the Senator from Michigan 1 additional minute.

Mr. POTTER. The onion growers themselves will state the bill is not intended to establish a precedent. Because of the unique problems of the onion industry, onion futures do not fit into the overall scheme for futures markets.

I thank the Senator for yielding to me.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I rise in opposition to the pending bill, which would outlaw trading in futures in onions. There is nothing wrong as such in futures trading although it is often composed with speculation. Trading in futures is a stabilizing device whereby possible future supplies are brought into relationship with the present market. Therefore futures trading is a necessary function and should not be outlawed. Its purpose is to shift the risks from those least able to take them to those who are prepared to take them. When it functions properly it protects both the individual buyer and seller against widely fluctuating prices.

I think there have been some abuses on the Chicago Mercantile Exchange in the past, in dealing with onions. Those abuses have been corrected. But there is no reason why we should destroy the institution of futures instead of purifying the institution. I believe that there are already sufficient authorities, both within the Commodity Exchange Authority and the Chicago Mercantile Exchange, to eradicate any abuses which may occur. Therefore I wish to register my opposition to the bill.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Idaho [Mr. CHURCH].

The PRESIDING OFFICER. The Chair informs the Senator from Texas that he has only 2 minutes remaining.

The Senator from Idaho is recognized for 2 minutes.

Mr. CHURCH. Mr. President, the pending measure is of great interest to the onion producers in the State of Idaho. Indeed, the bill now before us was introduced in the House of Representatives by the able Congresswoman from the First District in Idaho, GRACIE FROST.

The reasons for that interest are readily apparent. Because the onion crop is relatively small in volume, this commodity is peculiarly vulnerable to the type of speculation which depends upon the ability of a small group of traders to achieve significant control of futures contracts. Because onions are highly perishable, requiring expensive and specialized storage facilities, producers are without defenses against this type of speculation.

These two factors set onions apart from other commodities which are traded on the commodity exchanges. They account for the key facts developed at the hearings on this bill: the great majority of onion futures contracts are specula-

tive, as distinguished from hedging, in purpose; cash prices to growers have consistently shown rapid and extreme fluctuations which cannot be explained by the normal relationships of supply to demand; the growers, unable to hold their onions as a defense against an artificially depressed market, have repeatedly been forced to sell at disastrous losses, while profits to traders have been out of all proportion to any service they render to the growers or to the public; the efforts of the commodity exchanges to control or regulate the practices which yield these results have not been successful.

As a natural consequence of the abuses which have permitted a few speculators to maintain a stranglehold on trading in onion futures, and for which no other remedy has proved effective, producers are united in demanding legislation to ban such trading on the commodity exchanges.

I believe this bill is in the public interest. I urge its passage, and I ask unanimous consent to have printed at this point in the RECORD communications from the Southwest Idaho Onion Growers Association, the Idaho Grower Shippers Association, Inc., the Commissioner of Agriculture of the State of Idaho, and other growers and shippers in my State showing overwhelming support for this bill.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

PARMA, IDAHO, March 17, 1958.
Senator FRANK CHURCH,
United States Senate,
Washington, D. C.:

At a meeting of the board of directors of the Southwest Idaho Onion Growers Association on March 10, 1958, the directors unanimously voted to urge the passage of Senate bill 778 and/or its companion bill, Senate bill 1514.

JAMES WAKAGAWA,
President.
JERRY D. STONE,
Secretary-Treasurer.

BOISE, IDAHO, April 23, 1958.
Senator FRANK CHURCH,
Senate Office Building,
Washington, D. C.:

The Idaho Potato and Onion Commission commends you for your fine efforts in getting the onion-futures bills, H. R. 376, S. 778, and S. 1514, passed by the House. Commission members and onion farmers in Idaho are disappointed in slow progress now being made in Senate Agriculture Committee. For the salvation of the onion industry in the State of Idaho please employ every effort to bring the bill out of committee.

ROBERT REICHERT,
Idaho Commissioner of Agriculture.

PAYETTE, IDAHO, March 18, 1958.
Hon. FRANK CHURCH,
Senate Office Building,
Washington, D. C.:

We respectfully urge you to help pass the Senate bills, S. 778 and S. 1514, eliminating the onion futures from the board trading. We strongly feel that the onion futures trading detrimental to our onion industry.

CENTRAL PRODUCE DISTRIBUTORS,
GEORGE SUGAI,
ROBERT WIENS.

SOUTHWEST IDAHO ONION
GROWERS ASSOCIATION,
Parma, Idaho, February 12, 1958.

Be it resolved, That the Southwest Idaho Onion Growers Association, in annual meeting February 11, 1958, went on record as urging the Idaho congressional delegation to continue their fight against onion futures.

JERRY STONE,
Secretary-Treasurer.

MINUTES OF EVENING DINNER MEETING HELD
AT THE EASTSIDE CAFE, ONTARIO, OREG.,
JANUARY 23, 1958

Attendance, 53. Sterling Johnson conducting.

Sterling Johnson opened the meeting by asking Charlie Burns to introduce our guest speaker, Mr. Jack Rose, secretary of the National Onion Association.

Mr. Rose announced that the next meeting of the National Onion Association would be the first Saturday in October and would be held somewhere in the Boise valley.

Mr. Rose next spoke on the subjects of the functions of the national association and onion-futures trading.

His remarks were very interesting to the onion growers and shippers present.

A motion was made by Charlie Burns, seconded by Doug McGinnis, to the effect that the growers and shippers present, go on record as giving their continued support to and urging immediate passage of present proposed legislation banning onions from futures trading and further that those present write their Congressmen, as well as Senator ELLENDER and Representative COOLEY urging their support of the proposed legislation. Carried unanimous.

Doug Dillehay announced the coming election of new committeemen for the onion-marketing agreement.

Meeting adjourned 10:30 p.m.

IDAHO GROWER SHIPPERS
ASSOCIATION,
DOUG DILLEHAY,
Assistant Manager.

J. C. WATSON CO.,
Parma, Idaho, February 11, 1958.

The Honorable FRANK CHURCH,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We are growers and shippers of onions in southwestern Idaho and like all other onion growers we are very much concerned with the disruptive influence of the onion futures trading on our cash onion markets. It is not fair for us who produce and market onions to be at the mercy of speculators who trade in paper in Chicago.

The legislation banning this practice is up for consideration in the Senate under Senate bills 778 and S. 1514. We certainly urge your active support of this legislation in behalf of the onion growers in your State.

Yours very truly,

J. F. WATSON.

PAYETTE, IDAHO, January 18, 1958.

Hon. FRANK CHURCH,
United States Senator,
Washington, D. C.

Whereas futures trading in onions renders no economic service, as futures trading in other commodities does.

There are no actual onion buyers in the onions futures market, only speculators.

Any hedging value to growers is more than lost due to the depressing influence of futures trading during delivery months: Now, therefore, be it

Resolved, That the Payette-Washington County Pomona Grange No. 2, go on record as being unanimously in favor of the elimination of onions from futures trading; and be it further

Resolved, That we unanimously support House of Representatives bill H. R. 376 and the Senate bills S. 778 and S. 1514.

PAYETTE-WASHINGTON COUNTY
POMONA GRANGE NO. 2,
Mrs. J. B. HOWARD, Secretary.

MR. THYE. Mr. President—

THE PRESIDING OFFICER. No further time is available.

The question is on agreeing to the committee amendment.

MR. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield 1 minute to the Senator from Minnesota [MR. THYE].

THE PRESIDING OFFICER. Without objection, it is so ordered.

MR. THYE. Mr. President, as a member of the Senate Committee on Agriculture and Forestry, I was in support of the bill, and voted to report the bill favorably. I shall vote for the bill.

However, I fear that the bill will not accomplish what the onion growers have hoped for. The onion growers have a feeling that the bill will correct all their difficulties in the marketing of onions, and inasmuch as the onion growers of my State and of the Nation have asked for the enactment of the bill, I shall support it.

I shall watch the future development of the onion market. I hope the bill will accomplish what the growers hope for, but I fear it will not, because the onion is a highly perishable product. It is most difficult to market. An onion can break down in quality in a matter of a few days if improperly cared for.

MR. JOHNSON of Texas. I yield 2 minutes to the Senator from Oregon [MR. MORSE].

MR. MORSE. Mr. President, it gives me great satisfaction to join with my colleagues this afternoon in urging passage of the pending measure to prohibit futures trading in onions. It is particularly gratifying to me for the reason that the measure now being considered is similar to the measure introduced by my colleague, Mr. NEUBERGER, which I had the honor to cosponsor. H. R. 376 was introduced in the House of Representatives by that most gracious Congresswoman, Mrs. GRACIE PFOST, to whom much credit is due for its passage in that body.

I believe that the technical amendments made by the hardworking members of the Senate Committee on Agriculture and Forestry under the able leadership of my good friend the Senator from Louisiana have done much to perfect the measure and to arrive at a basis of agreement. In my judgment, high commendation is due the committee for the careful manner in which they have labored to produce sound legislation designed to prohibit futures trading in onions.

When this bill passes, as I certainly hope it will, and as it should on the merits of the case, it will bring great satisfaction to the many Oregon farmers who have written to me of their strong desire to obtain this legislation. I have particular reference to Mr. Charles Joseph, president of the Malheur County

Onion Growers; Mr. Cliff Bishop, of Ontario, Oreg., a large commercial grower; Mr. Clarence Lee, of Ontario, and Mr. Roy Aker of Salem, Oreg., to name but a few of the many who have written.

Passage of this measure will serve to demonstrate to these men and women who are engaged in the growing and shipping of onions that their voices have been heard when they came to the Congress to obtain relief from a condition which in their minds caused economic hardship.

MR. PRESIDENT, I ask unanimous consent that there be inserted at this point in my remarks a statement dated August 12, 1957, submitted by Mr. Warren Farmer, of Nyssa, Oreg. This statement constitutes a very effective presentation of the point of view of many onion farmers on the subject of futures trading in onions.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF WARREN FARMER, NYSSA, OREG.,
BEFORE THE SENATE SUBCOMMITTEE ON FUTURES TRADING, AUGUST 12, 1957

Honorable Chairman, Senators, and guests, I am Warren Farmer, a grower of onions in Malheur County in eastern Oregon.

This morning there were between 50 and 60 migrant workers picking up potatoes on my place. They probably harvested 4 or 5 acres of potatoes, probably 3 carloads, and I hope they got them up clean and into the packing shed without any wind burn.

My regular help supervised these migrant workers and I only hope they all did their jobs like they would if I were at home.

The reason I left in the middle of my potato operation is that I also have 26 acres of onions to sell and I want to talk to you gentlemen about selling onions.

I represent Malheur County Onion Growers Association and I am one of their directors. I also represent South Western Idaho Onion Growers, and Idaho Growers Shipper Association including Malheur County. The latter is the official organization of handlers for our district.

If you have had occasion to refer to the record of hearings held by the House Committee on this matter of onion futures you will note that Charlie Burns, of Idaho Grower-Shippers; Doug McGinnis, of South Western Idaho Growers, have testified at three separate hearings. These men didn't have time at all to get away and have asked me to represent their groups. This means that I speak for the total of 400 onion growers and 30 shipping firms.

Now about selling these onions. My crop has been very costly to grow this year. I want to get as much for it as I can. On the basis of my experience last year, it looks like I'll have a tough deal to buck unless we can do something about futures speculation. Last year I started selling onions the first of the year at \$1.10 a bag. Figures on onion supplies put out by both the USDA and the National Onion Association made the late market picture look pretty good.

At this point I decided to hold for a further market rise and didn't sell for awhile. During this time my neighbor sold his onions, and his best price was \$2.50 a bag. This looked pretty good, so I got ready to go again. At about this time there was quite a flurry in onion future sales on the exchange and I found that there was little or no demand for about 10 days. My next sales, the last of February, brought me \$1.55 a bag, and by the time I had cleaned up my crop I got \$1.10

a bag. That's a drop of more than \$1 for each 50-pound bag. I've been talking about 3-inch onions, or what we call jumbos. The medium sizes were really cheap and some of mine brought me only 10 cents a bag. All this happened while the total onion supplies were less than the normal amount usually sold during the period.

I've told just my experience, but I wasn't alone. Every grower went through the same wringer, if he didn't sell out ahead of the futures tragedy.

In connection with the effect that futures trading has on prices, we always hear that a grower can get price protection by selling his onions as futures. Here is the way this deal looks to me: It costs me about \$300 to grow an acre of onions that will put off about a carload. If I hedge these onions I would have to advance \$300 per car in addition to my production costs. Then if the future market should advance I would be required to put additional money to protect my original hedge. This could come at a time when I am having to meet the largest part of my cash expense. It would not be impossible for me to have \$1,000 to \$1,200 per acre tied up in these onions before I had an opportunity to deliver any of them. I just don't have that kind of money.

Apparently onion growers generally recognize these same difficulties I have mentioned. The Commodity Exchange Authority in its recent report on growers' use of onion hedges state that "hedging by growers does not appear to be of such character as to be of importance in the marketing of onions."

I, and all my neighbors, try to grow the most profitable crops we can pick out in order to keep our business going. We figure onions should be profitable. We study the plantings in other districts to try to decide how many we can grow and sell at a good figure. Every year in our district we have a number of growers that put in their onions for fresh market, and then plant an additional number of acres, under contract. These contracts have been provided by operators in futures, and presumably the onions are for trading purposes. I suspect this happens even more in districts nearer the exchange centers.

To us who grow for the fresh market, these look like extra onions, or surplus above the growers' best guess as to what the market will take. We don't think the futures operators will eat these onions after they are through trading. Eventually our market onions have to compete with them, and we believe it is unfair competition. It's unfair because these onions of themselves do not have to bring any actual value, but serve pretty much the same purpose as chips in a poker game.

The futures traders upset the onion market in other ways besides encouraging surplus. Some years ago I recall that our local shippers would come and buy onions at the field. Sometimes a shipper would buy up 10 to 100 cars, just before harvest at a definite price. They don't do this any more and the reason, they say, is they can't judge the market trend in terms of onion supply.

Shippers who handle our onions say that their customers won't stock up any more, and where they used to sell several cars, they now are apt to sell part cars. And then only after the main question has been answered, "What did the futures do today?"

The onion growers I know do not believe we need futures trading in this commodity. They believe it is just a disrupting influence that upsets all their calculations of supply and demand for onions. Growers, through their organization in our district, have expressed their desire every time they have met together that something be done to stop this disruption of onion markets by futures trading, and they are unanimous in expressing this desire.

We sincerely ask you members of this subcommittee to recommend passage of legis-

lation that will stop futures trading in onions.

Mr. BARRETT. Mr. President, on behalf of my colleague [Mr. O'MAHONEY] and myself I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 3, after the word "onions" it is proposed to insert "wool or wool tops."

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 15 minutes.

Mr. BARRETT. Mr. President, I shall not detain the Senate for the full 15 minutes.

I am in favor of the pending bill, but I wish to invite the attention of Senators to the fact that the wool and wool tops futures market has also operated on occasion at least to the disadvantage of the wool industry of this country.

At the outset, let me explain how wool tops may be described.

Wool tops is a process whereby after the wool is scoured it is carded and of course semiprocessed and the fibers are combed and laid parallel and twisted like a rope and it is made into long, continuous strands. Instead of using the raw wool, worsted manufacturers use this semiprocessed wool exclusively to make cloth. It used to be that the mills made their own tops, but now only a few do, and the rest buy their supplies from topmakers.

Trading in contracts for future delivery of wool and wool tops is conducted on the New York Wool Exchange, the only market of this kind in the United States. The exchange is operated by Wool Associates of the New York Cotton Exchange.

Trading in wool tops futures contracts was begun in 1931 and for wool in 1941.

Activity in the wool tops market also showed a marked increase in 1952. Volume of trading amounted to 169,845,000 pounds, or over 2½ times the earlier period (table 1).

In 1953, however, volume of trading declined substantially to 109,374,000 pounds for wool and to 111,365,000 pounds for wool tops. This was about a 56 percent decrease for wool and about 44 percent for wool tops.

Although the volume of trading in the wool futures market was only slightly less in 1956 than during the 1947-51 period, the decrease is emphasized by the relatively high levels attained during 1952, 1953, and 1954. On the other hand, while trading in wool tops was at a substantially lower level in 1956 than during the previous 4 years, it is still 41 percent above the 1947-51 period.

Mr. President, I inquired recently with reference to the possibility of manipulation in the market by dealers in wool futures and wool top futures, and a producer organization reported to me as follows:

We cannot make a definite statement on manipulation as we have no access to futures trading records. The frequent shift of position from buying to selling, or vice versa, would indicate that manipulation may be attempted or actually carried out at various times.

There has been considerable criticism that the volume of wool handled on the futures market was so small that it might lend itself to some manipulation. I feel that this is a place where perhaps the Government needs to investigate and see whether there is any justification for our feeling. Certainly there is more chance of this in the case of wool than would be true of the grain market which has much more volume.

The United States produces only about one-third of the wool that it consumes. The price of the wool is determined largely by the price of foreign wool. Down through the years the world price of wool has been traditionally accepted.

In recent years, Mr. President, 80 percent of all of the business done in the United States in the wool tops business has been carried on by only six topmakers. Three of the six topmakers control more than 50 percent of the market.

I would like to clarify to those who might not be fully acquainted with the wool industry what is meant by wool tops. Wool tops, Mr. President, is the product which results from a process whereby the raw wool is scoured and carded, then combed and twisted into long continuous strands. Instead of using the raw wool, worsted manufacturers use this semi-processed wool exclusively to make cloth.

Mr. President, these few topmakers are in a position to dominate the price of wool at the time the growers are shearing their sheep and selling their clips by reason of their ability to control the futures market. I do not charge that they do so.

I want to emphasize, Mr. President, that it is the domestic producers of this country who are affected by this manipulation of the market. Foreign wool is not involved and that is why this problem is so important to the American wool-growing industry. The price of foreign wool is set by the world price. If a top maker buys Australian wool it is bought at the world price or just does not buy it. However, our domestic producers have no other place to sell their wool except on the American market. As you can see, Mr. President, such a situation has resulted in the condition that domestic wool on numerous occasions has sold below the world price.

Mr. President, wool is a commodity that must await its market and if there is no demand no good is accomplished by trying to push the sale of an unwanted commodity. However, under the futures system this is exactly what is being done and it is done to the great disadvantage of everyone connected with this business, especially the woolgrower.

The fact of the matter is, Mr. President, that the topmakers can depress the futures market and then go into the West and buy wool at practically their own prices.

It is estimated that two topmakers buy considerably more than 50 percent of the domestic wool clip and that the topmakers—probably 5 in all—buy at least 80 percent and probably more of the domestic wool clip.

Mr. President, I should like to direct a question to the chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER].

I appeared before the committee and testified on behalf of this amendment some time ago. The Senator from Florida [Mr. HOLLAND] was presiding at the time. I told the committee that many of the growers in my State are anxious to have this matter thoroughly investigated and that they would like to have the committee hold hearings on the proposal to eliminate the futures market in wool and wool tops.

I am very appreciative of the fact that Mr. Henry Casso, of the staff of the committee, made an investigation of the situation. We believe that a full hearing would disclose that the market may have been manipulated to the disadvantage of the growers and producers of wool.

I should like to ask the distinguished chairman of the Committee on Agriculture and Forestry if it would be possible for him to arrange to have a further investigation made during the adjournment of Congress, and possibly hold hearings next year on a bill to prohibit futures trading in wool and wool tops.

Mr. ELLENDER. I wish to say to my good friend from Wyoming that I shall be glad to do that. We have a very competent person, as the Senator knows, an economist, on our staff.

Mr. BARRETT. Mr. Casso has done a very fine job. I am very appreciative of it. His showing so far proves the need for such hearings.

Mr. ELLENDER. We propose to send some questionnaires to various persons who deal in wool, both sellers and users, in order to get the whole picture. If it develops that there have been manipulations, as the Senator states, we shall proceed with early hearings.

Mr. BARRETT. I thank the Senator. I withdraw my amendment.

The PRESIDING OFFICER. The Senator from Wyoming withdraws his amendment.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, first I should like to have the attention of the distinguished junior Senator from New York [Mr. JAVITS], who earlier in the discussion raised the question whether we would be establishing a precedent by the passage of the pending bill. My time is limited, but I should like to point out that the earnest suggestion of the distinguished Senator from Wyoming [Mr. BARRETT] that wool and wool tops be included and that a prohibition be imposed on their trading in futures contracts is a pretty fair indication that, so far as precedents with respect to any other commodity are concerned, particularly when there are gyrations in the market, there can be no control for the purpose of stopping of futures trading.

Mr. President, this is an extraordinary bill. The whole nub of it is contained in one sentence:

No contract for the sale of onions for future delivery shall be made on or subject to the rules of any board of trade in the United States.

That is the end of trading in future contracts on onions. I do not know whether it has been done before. If it has, it has certainly not come to my at-

tention. The fact is that the bill refers to a single commodity. Trading in futures is to continue in butter, eggs, turkeys, sugar, rubber, lard, soybean meal, cottonseed meal, and other commodities. One commodity is selected—onions—and there is an absolute and unequivocal interdiction put upon trading in future contracts on onions.

Of course, this is not new. In a 50-year period at least 200 bills have been introduced to end futures trading on the ground, it is alleged, that manipulators manipulate the market for their benefit and to the detriment of the growers and producers.

That is understandable. Anyone can understand it. The market takes a header, and there is a great hue and cry. There is never a hue and cry when the market goes up. There have been a few drops in the onion market. There was one in 1957. There was an amazing drop in 1957. After that market gyration, the onion producers became tremendously vocal. In early 1957 the National Onion Association issued a bullish report. The reason for it was the weather condition in Texas. What happened? Onions went up from \$1.15 to \$2.20 for a 50-pound bag.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. I thought I had 10 minutes.

Mr. KNOWLAND. Mr. President, I yield an additional 12 minutes to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry. I have just started to speak.

The PRESIDING OFFICER. The Chair recognizes that fact. There was a misunderstanding on the part of the Chair, apparently. The Chair thought the Senator from Illinois had been yielded 3 minutes. The Senator now has 7½ minutes remaining.

Mr. DIRKSEN. I must have more than that.

The PRESIDING OFFICER. The Senator now has almost 12 minutes remaining.

Mr. JOHNSON of Texas. I shall be glad to yield additional time to the Senator from Illinois.

Mr. DIRKSEN. Otherwise I shall be obliged to offer an amendment. I am sure we will arrange the time satisfactorily. I seem to be the only one in opposition to the bill.

What happened was that in 3 weeks the market went up from \$1.15 to 2.20 for a 50-pound bag of onions. Then something happened. After a market adjustment developed, in 3 weeks the market went sharply down. As a matter of fact, it dropped from \$2.20 to 87 cents for a 50-pound bag of onions.

Now we are going to cure it all. We are going to cure it by the fiat of Congress, by saying: No more futures trading in onions.

The pending bill is an extraordinary bill. I believe the passage of the bill will be a horrendous mistake on the part of Congress. I say that for a number of reasons. First, the Secretary of Agriculture recognizes that this bill

would be bad in practice, and in his letter to the House committee on the 13th of March, 1957, he said that such a bill would not significantly affect the marketing or distribution of onions. If the Secretary knows what he is talking about—and certainly he would not say it except in consultation with his market specialist—then of course the passage of the bill would not raise the price of onions. I suppose anyone who knows anything about the onion market and about the futures market will agree with me on that.

The next point is that we ignore the inherent nature of the onion market and the onion. To be sure the onion is a condiment. I know this is a rather tearful subject to discuss. The fact is that there is an inelastic demand in the onion market. It is storable for only a limited period of time. It is essentially a perishable commodity. The greater part of the crop comes from Texas—that is, the early onions—and the late September onions come from northern States. When we get to the end of the market, in February or March, the crop is done. The onions are soft and squishy. In 1957 there was a late, wet spring in Texas. There were no new onions. The result was that what was left was the deteriorated, old onion crop, but that crop had a value. That is why the market went up. It was due to a weather condition, not the result, as has been alleged, of the action of manipulators in New York City or in Chicago.

It is necessary to know the nature of the onion and what we are dealing with here. That has been entirely forgotten in the debate.

In addition to the inherent nature of the onion, let us consider the period before there were futures tradings in onions.

Prior to 1940 onions were not on the futures market, and onions did not get into a volume position in futures until 1948. However, from 1930 to 1940, before they got into the futures market, there were as many gyrations in the onion market as there have been since futures trading in onions was started.

Does that mean that the pending bill is a good bill? I think it is an extraordinarily bad bill. I believe we are going to make a horrible mistake if we pass the bill. I expect to live to see the time when Congress will undertake to undo the mistake. I know when I am defeated. I go around and do a little canvassing myself, and I know when I am licked. I am licked on this bill. I know there are enough votes to pass it. I shall not ask for a yea-and-nay vote on the bill, because to do so would embarrass some of my friends. I do not intend to make a motion to recommit the bill to the committee. It would embarrass some Members of the Senate if I were to do so. I am not going to put them in that awkward position.

I expect to see the day when onions will be restored to futures trading. If we do not do that, there will have to be found a substitute for futures trading.

What is involved? Do we want the speculator or manipulator to take the risk, or do we want the grower to take

the risk? If we want the onion producer or grower or wholesaler to take the risk, very well; in that case we should pass the bill. He will have no choice. Unless we devise a substitute, he is the one who will assume the risk. Obviously and certainly modest onion growers cannot accept the bill. They will be hurt under it rather than helped. As I see it, that is almost inevitable. That is why I say that we will be making a big mistake by passing the bill.

The fact is that so far as speculation in this field is concerned, beginning in 1956 we put speculative transactions in onion futures under the Commodity Exchange Authority. There is some regulation of it now. With futures trading eliminated and with no regulated substitute device provided, we will be worse off than we were before. So we may be headed into a period when some substitute marketing device will be employed, and it will not be regulated by the CEA. I think that would be a very unhappy situation. Then somebody will come before Congress, asking, of course, that we do something about it.

The Department of Agriculture has a study under way in this field. The Agricultural Marketing Service is conducting it. The study will not be completed until late in the fall. Why not let them proceed with it and then give us the whole story? Then we will be in a far better position to legislate on the subject, instead of saying, by legislative fiat, that after a given length of time there shall be no more onion contracts for future delivery under the rules of any Board of Trade.

There were three votes against the bill in the committee. The chairman of the committee was against it. I think the vote was 12 to 3. Of course, the majority prevailed. But frankly, I think the futures market has been made the whipping boy for a condition which developed in 1957, which was actually the result of the poor weather in the early onion producing areas such as those of Texas. That is the whole story.

I think what is proposed is a grievous mistake. But if the Senate is intent on making it, I want to be sure that I am on record and have had the opportunity to assert my convictions about the bill.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORTON. I associate myself with what the Senator from Illinois has said. Is not the approach which is being taken simply an effort to burn down the stable to catch the rats?

Mr. DIRKSEN. That is correct.

Mr. MORTON. The situation is under control; it is under regulation. If there has been an abuse, let us clear it up. But if we pass the bill, then let us reflect that the Senator from Wyoming is interested in wool, someone else is interested in lard, and someone else is interested in sow bellies. The farmers themselves depend on the futures market for any stability whatsoever in such crops as grains and cotton. If we start nibbling, there is no telling where we will go.

The production of onions is under regulation. If there has been an abuse, it should be checked, and those who are responsible for the abuse should be punished. But there is no sense in passing a law which provides, in effect, that because there was a wet spring in Texas, onion futures shall be ruled out of the futures trading market.

Mr. DIRKSEN. The Senator from Kentucky is correct. It points up the question which was raised by the junior Senator from New York; namely, Is this a precedent? It is bound to be a precedent. We cannot escape it. There are gyrations in the egg market, and perhaps in the butter market. The first thing we know, those interested in those commodities will be coming before Congress asking to be taken off the board, so far as their future contracts are concerned. This will be a clear-cut precedent.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JAVITS. I, too, am very much troubled by the bill, for two reasons. First, the hallmark of the private enterprise economy is the right to trade in futures in commodities, securities, and everything else. Second, I am deeply troubled as to whether the bill will really do for the onion growers what its proponents hope it will do. I understand the reason for their determination to have it done.

I think the Senator from Illinois is rendering a real service in sounding a warning signal that the onion growers may return very soon to ask that the present status be restored, even though they feel strongly—and there are many onion growers in New York who feel that way—that the bill should be passed.

That was the reason for my question. I hope we may consider this unilaterally and solely as a test case.

Mr. DIRKSEN. I appreciate the statement by the Senator from New York.

Mr. President, in connection with my observations, I ask unanimous consent to have printed at this point in the RECORD a letter sent to the Senator from South Dakota [Mr. MUNDT] by Oris V. Wells, Administrator of the Agricultural Marketing Service. The letter states that a study of this subject has been undertaken by the Marketing Service.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT
OF AGRICULTURE,
AGRICULTURAL MARKETING SERVICE,
Washington, D. C., April 9, 1958.
Hon. KARL E. MUNDT,
United States Senate.

DEAR SENATOR MUNDT: In accordance with your letter of April 2, the following information is submitted concerning the research on futures trading in onions being conducted by the Agricultural Marketing Service.

The Agricultural Marketing Service only recently initiated a study of futures trading in onions. In the conduct of this study, major attention is being directed to the following questions: How does the onion futures market operate and what uses are made of it by firms handling onions; who

uses the onion futures market; what is the relationship between cash and future onion prices; and how and to what extent is futures trading used by growers and handlers to obtain credit? Information necessary to develop answers to these questions must be obtained from individuals and firms in the onion industry, the New York and Chicago Mercantile Exchanges, regulatory and reporting agencies such as the Market News Service, and trade sources.

It is anticipated that most of the information needed for this study will be assembled in field surveys to be conducted this summer. It is expected that preliminary findings concerning phases of this work will be available in the spring of 1959, and the entire study should be completed shortly thereafter.

If we can be of further service, please let us know,

Sincerely yours,

ORIS V. WELLS, Administrator.

Mr. DIRKSEN. Mr. President, I shall not offer a motion to recommit the bill. I shall let the matter stand on a voice vote on passage. But I want the RECORD to show that I am firmly against the bill.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. Mr. President, I would not be too alarmed over the fear that if onions are removed from the list of commodities on which there can be speculation in the futures market, we shall be establishing a precedent. Onions have been on that list only a few years. Speculators as well as legitimate hedgers got along very nicely before onions were added to the list. There has been nothing but trouble for the onion growers since then.

I believe the bill is a good one and ought to be passed. If the commodity traders would conduct their operations as they ought to, they would have nothing at all to fear from the enactment of the proposed legislation. If they have other ideas, then perhaps they have something to be afraid of.

I myself think that the other commodity traders have made a great mistake in sticking out their necks for only 27 or 28 traders in onions.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the distinguished minority leader.

Mr. KNOWLAND. Mr. President, I shall support the bill. I believe the bill as reported by the committee is satisfactory and is a step in the right direction. I think onions should be removed from commodity speculation.

Mr. JOHNSON of Texas. Mr. President, I yield to the junior Senator from Colorado as much time as he desires.

Mr. CARROLL. Mr. President, I associate myself with the statement of the distinguished Senator from Vermont. For 2 years I have been besieged with personal visits and telegrams and letters from the onion farmers of Colorado. These are farmers in several parts of my State: the Arkansas Valley, Western Slope, and several other areas. Other than potatoes, no other commodity has drawn such complaints from farmers about trading on the future markets. I think there is nothing at all to be

afraid of in this bill as far as setting a precedent for other commodities now being traded on the futures market. If the speculators conduct themselves in an ethical and orderly way on other commodities there should be no need for further restrictions.

However, the gyrations of the onion futures market have been fantastic and have critically hurt the cash price received by Colorado farmers for their onion crops. I call to the attention of my colleagues the action of the market in February of last year when the price of a 50-pound sack of onions dropped from \$2.20 to 87 cents in 20 days. This kind of manipulation of the market has to be prevented because it is the onion farmer who is innocently hurt by it. I think H. R. 376 effectively protects the onion farmer.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, when the onion growers of Oregon asked me, in the fall of 1956, to sponsor a bill to prohibit trading in onion futures in commodity exchanges, the request was made in spite of the fact that Oregon-grown onions are not traded in on the commodity exchanges. It is a fact, however—and this was the motivating one—that the fluctuations in prices, characteristic of the onion trading in these exchanges, has had a severe impact on the prices of onions in the Pacific Northwest. In my country the producers grow the Sweet Spanish variety of onion, which, as I have just mentioned, has not been involved in board trading. The prices on this variety, however, are almost completely governed by the prices of the varieties which are traded in on the exchanges. For this reason, the growers from the Snake River Valley and the Lake Labish area, the two sections of Oregon where onions are grown as a commercial crop, were all in favor of prohibiting the futures trading.

Mr. President, when I say all, that is what I mean; I have yet to hear from an Oregon grower who was opposed to my measure, S. 776, or any of the other similar bills in this realm to forbid trading in onion futures.

Having assured my constituents that I would introduce such a bill, I did so on January 23, 1957, and I was joined in this by my distinguished colleague, the senior Senator from Oregon [Mr. MORSE].

FUTURES TRADING IMPOSED ON GROWERS

Futures trading in onions was instituted some 15 years ago by the mercantile exchanges over strenuous objections from the onion industry—growers and shippers alike. Growers saw no need for a futures market. They feared that trading in futures would disrupt orderly marketing procedures.

The onion industry voices no criticism of futures markets in staple commodities—cotton, grain, sugar—nonperishable commodities basic to various manufacturing processes. With these commodities real economic services are rendered. However, they are not perishable like onions. Hedging on the part

of both producers and buyers lends stability to the industries concerned.

The opposite is true in onion-futures trading. The onion-futures market renders little, if any, service to anyone except the speculator. Futures in onions constantly disrupts the orderly marketing of the onion crop. On the long side of the market, very little buying is done except by speculators. Few onions are purchased for processing of any kind and very little futures-buying is done by any processors. No receiver or processor can successfully hedge against his anticipated requirements by buying futures.

From the time a farmer's ground is prepared, until his last sack has been marketed, he devotes his energies to the strenuous and exacting tasks of the grower. And under the present system, many of his hours away from the field are expended in anguished study of what happens in the commodity exchanges where onions are a speculative product in futures trading.

The attitude of the growers on this subject was clearly enunciated by a resolution issued by the Malheur County Onion Growers Association, Oregon, which states:

1. Whereas onions to be delivered on the mercantile exchange are permitted to be traded 5 months ahead of planting (11 months before delivery); and
2. Whereas this early trading tends to increase plantings which lead to increased production and depressing prices at harvest-time; and
3. Whereas most onion growers cannot use the futures market for hedging because they do not have sufficient funds available to put up the original margin and meet possible margin calls; and
4. Whereas it has been possible for a trader on the exchange to corner practically all physical onions delivered on the exchange, thus creating a depressing effect on the market; and
5. Whereas these practices in the futures trading of onions has disrupted the orderly marketing of the crops and resulted in financial loss to growers: Therefore, be it

Resolved, That the Malheur County, Oregon Onion Growers Association take immediate action for national legislation to secure permanent abolition of onions from futures trading.

MANIPULATIONS VICTIMIZE GROWERS

I think it is revealing to note the comments that bob up in a rather extemporaneous manner, occasionally, in the bulletins issued by trading members of the board. On February 1, 1957, for an illustration, Kelly-Black Co., Inc., stated:

The price on medium onions in the cash market started gathering momentum this week. It started first at the farm level with the shippers not able to sell at the increased price that the farmers were demanding. By the end of the week he (the shipper) was able to make the receiver pay the price and the cash picture appeared to be on solid ground after the recent advance. Subsequent moves depend upon rate of movement of present supplies and weather developments in Texas.

On February 8, 1957, a bulletin from the same firm said:

The cash markets are in a turmoil after a the action of the board Thursday and Friday. Up to the middle of the week, the buyers and sellers were having difficulty getting together on prices. Now no one knows what

to pay or what to ask, and it will probably take a few days for this condition to correct itself. Naturally, there is much more of a tendency for the farmer to be willing to move supplies.

And then on February 15, 1957, this statement appears in that firm's bulletin:

As a clearinghouse member of the exchange, we cannot help but be aware once again of all the criticism that appeared during this past week among the growers as the market fell rapidly from its highs. Quiet has reigned, more or less, about the board for some months. Once again, they are fighting to abolish it. All business makes mistakes and, in the past, the exchange may or may not have made their share of them.

It was in those days of February last year that the price of onions declined 81 cents in one 3-day period. I am no onion trader by experience, but I am told that the market was almost completely demoralized in that month and that near panic ensued. March futures in 1957 made a high of \$2.20 on February 4, were at \$1.39 on February 7, were at a low of 81 cents on March 6, and then, with an awareness that burdensome supplies of onions were not on hand, closed out on March 22 at \$1.60.

Spokesmen for the onion growers among my constituents charge that this decline and only partial recovery were primarily the result of futures manipulations.

Sometime ago I had a very interesting letter from a member of the Chicago Mercantile Exchange. The writer pointed to activities of growers in use of the exchange which, he charges, is manipulation by growers. Perhaps it is. However, it seems to me, Mr. President, that this is admission by an exchange member that futures trading on onions is, in fact, susceptible to manipulation. It is this very susceptibility, inherent in the system, which disturbs many of my onion-grower constituents in Oregon.

I must comment on just one other of those very rare letters of opposition to our bill which I received. It ends with the impassioned plea:

We trust you will consider not only our interest, but the interests of many who use the futures market successfully, and not take away our great American heritage of free independent enterprise.

I am sure the nearly 200 members of the Malheur County Onion Growers Association, who desire to be directly influenced by the simple law of supply and demand, were amazed to know that their wish is considered to be inimical to free enterprise.

To illustrate how completely speculative the onion-futures game is, I ask my colleagues to note these figures: In 1 season's trading more than 130,000 car-load contracts were dealt in, but only 1,300 cars of actual onions were delivered—about 1 percent. In the 1956-57 season, the total actual onions handled through the futures market amounted to only 615 cars. The total northern crop of onions would run somewhat over 50,000 cars. Yet, pressures of a system handling only 615 of these cars can seriously disrupt and depress the total vast cash market.

Following last year's break in futures, cash markets for both yellow globe and western sweet Spanish dropped \$1 per 50-pound bag. It is also clear that the futures market always lags behind cash markets, thus acting as a depressing factor.

It is evident that such futures breaks sometimes disrupt the markets to such an extent that the markets of our western growers, with their greater shipping costs, lag behind, or never recover with, the futures market. Due to the greater shipping distances, the effects of raids in the futures market on our western onion growers are magnified.

The united front which I have seen arrayed by Oregon growers in opposition to present practices in futures trading convinces me that it is sheer effrontery to impose on these growers a system that they wholeheartedly condemn. Here is a crop which is not supported, which does not share in price supports, and has not done so under either major political party. But here is an opportunity to protect these people from speculative exploitation, and to give them some control over their own market. They deserve this, I am convinced.

Mr. President, I am sure anyone who attended the very complete hearings, so wisely insisted on by the chairman of the committee, or who has read the record of the hearings, will agree fully with the following statement in the committee's excellent report:

The testimony presented at the hearing was of exceptionally high caliber and represented in many instances a substantial amount of research and analyses on the part of the witness.

I should also like to pay my respects, at this time, to the able chairman of the Senate Agriculture and Forestry Committee [Mr. Ellender] and all other members for the thoroughness, fairness, and objectivity exhibited in connection with the hearings on House bill 376.

Mr. President, I have received from an influential Oregon onion grower, Mr. Cliff Bishop of Ontario, Oreg., a letter in which he sets forth in the growers' terminology their reasons for supporting House bill 376. This letter should be read by every Member of the Senate. I ask unanimous consent that it be printed at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 12, 1957.

The Honorable RICHARD L. NEUBERGER,
United States Senator,
Washington, D. C.

SIR: I appreciate your acknowledgment of my letter. It is a pleasure to know that we growers are at last being heard. I will herewith give you some additional information.

Now these brokers are trying to tell us how we growers can take all the gamble out of our marketing by just contracting our produce with the Commodity Exchange. Let's have a look at the record. I can't take your time—and space here—to show the debacle the Commodity Exchange has made of our marketing, each and every marketing season since they have put onions on the board.

The brokers have all the characteristics of the old-fashioned pitch men. To enlighten the Agriculture Department and Commodity Exchange Authority, we growers are not so gullible as to allow ourselves to be herded in by this bunch of brokers or "pitch men" any more. They are no good to our industry as growers, or the dealers, or trade in general—just no one but themselves. We want the Commodity Exchange out of our production before we have to start screaming for support prices on our produce to keep the Commodity Exchange from busting our markets down to below production costs each season when there is no over production.

We will just cite, as an example, the upset in the cash market through the Commodity Exchange's manipulation around February 1 of this 1956-1957 season. During January 1957, the cash market was going along with a healthy feeling among all the trade. The futures market was below the cash market—which it always is, but following along. The brokers were working along getting the customers to buy, until on February 7, there was 2,450 cars traded for March delivery that one day; with a total of 7,458 cars traded during the 4-day period, February 5-7. This represented practically all of the stocks on hand in the United States at this date.

Then they lower the boom, and the few boys sold that paper so fast making their money.

They can make just as much bearing the market down as pushing it up. They dropped our market \$1 per hundredweight in 3 days, February 5-8, or \$300 per carload, which is production cost, harvested in the field, not on board the car. You can imagine what this would do to growers and the industry in general. During this 3 days, about 6,000 carloads were traded at \$22 brokerage per car—all on paper. Possibly about 10 cars of actual onions were delivered.

The cash market has been in a demoralizing shape since this date with absolutely no excuse for it, regardless of what defense the Commodity Exchange puts up for itself.

To all intents, this amount of stocks must be delivered on the board in Chicago in about 20 trading days in March. It doesn't take any stretch of the imagination to realize that someone around Chicago is going to have to eat a lot of onions during March. This being impossible, the pile, like any perishable commodity, would very soon have an odor and the market at the same time has the odorous semblance of a woods kitten. All the trade backs away from this kind of a deal, leaving the growers and shippers with stocks on hand, holding the bag and wondering how he got into this mess.

Further, the last days in March last year, onions were 10 cents per bag on the exchange. This is one-half the cost of the empty bag out here, not delivered in Chicago. We have never had such a price, even during the 1930's, before we had the futures to deal with. I have a very vivid recollection of those days. We were commercial growers at that time. In those days, we had to put up with a depression, now we have the commodity exchange.

It is impossible for growers to get out from under with cash commodities during these wild fluctuations. The commodity exchange is only in business to collect \$22 per car brokerage, buy or sell, and they love wild markets.

We growers here in Idaho and Oregon are going into a marketing agreement at the present time to market, and put out better grades, etc., and, if it comes to it, we can dump a percentage of our crop any time. We feel we are fully capable of helping ourselves without any of the manipulating of the commodity exchange boys doing it for us.

We are just asking that the Agriculture Department get the commodity exchange and their brokers out from between the growers and shippers and the cash market place.

Very truly yours,

CLIFF BISHOP,
Commercial Grower.

Mr. JOHNSON of Texas. Mr. President, I am heartily in favor of passage of the pending bill, which will prohibit trading in onion futures on any board of trade in the United States.

In the majority policy committee we carefully considered the bill, decided that its early enactment was essential, and scheduled it for consideration by the Senate.

The onion producers in my State believe that this measure will afford them much greater price security on the market. That was also the judgment of a considerable majority of the distinguished Committee on Agriculture. I hope it will be the judgment of the Senate as well.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD certain communications in regard to the bill which I have received from constituents in Texas.

There being no objection, the telegrams and letter were ordered to be printed in the RECORD, as follows:

WESLACO, TEX., July 3, 1958.
Hon. LYNDON B. JOHNSON,
United States Senator,
Washington, D. C.

LYNDON: I think every dirt farmer producing onions in Texas as well as any other State will appreciate your real cooperation in trying to stop trading in future onions on the New York and Chicago Mercantile Exchange, especially Chicago, and you are the boy who can do it.

LEE V. STEWART.

HEREFORD, TEX., July 8, 1958.
Hon. LYNDON JOHNSON,
Senator from Texas, Senate Office Building, Washington, D. C.

As growers and shippers of onions in all parts of Texas we are vitally interested in H. R. 376 passing the Senate immediately. Onion futures trading hurts Texas farmers because being a small perishable commodity can be manipulated by the speculators. We feel you are the man that can now get this bill passed. Please advise.

GRIFFIN AND BRAND.

TEXAS CITRUS AND VEGETABLE GROWERS AND SHIPPERS,
Harlingen, Tex., May 21, 1958.

Hon. LYNDON JOHNSON,
Senate Office Building,
Washington, D. C.

DEAR LYNDON: We have just received a wire from JOE KILGORE in reference to the Senate Agriculture Committee's ordering the onion bill out with the penalty amendments to it that will, without question, when passed stop trading on the mercantile exchange.

This is certainly good news and we do appreciate the good work that you have accomplished for all of us on this piece of legislation.

Now, the next step is to get the thing passed and we know that you are an expert at following through on legislation that you are interested in, so we will be looking forward to having a wire from you most any day now that the bill has passed and is in conference committee and will soon be signed.

Again many thanks for your wonderful cooperation and with the writer's best regards, we are

Sincerely yours,

AUSTIN E. ANSON,
Executive Vice President and General Manager.

Mr. JOHNSON of Texas. Mr. President, I also ask unanimous consent to have printed in the RECORD a statement by the very able Representative from the Rio Grande section of Texas, Representative JOE KILGORE, in regard to the necessity for the enactment of this proposed legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 7, 1958.

Hon. LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

DEAR SENATOR: Onion growers and shippers in Texas are deeply interested in H. R. 376.

This bill, which would, as you know, amend the Commodity Exchange Act to prohibit trading in onion futures on commodity exchanges, was passed by the House on March 13, 1958. The passage of this legislation has been a long-time goal of many producers and shippers in our State, together with those from other States.

This is the closest they have come to success—and with the adjournment nearing, you can understand their sense of urgency.

The executive vice president of the Texas Citrus and Vegetable Growers and Shippers Association, of Harlingen, Tex., Mr. Austin Anson, reiterated the views of that organization in a letter to me of March 1, 1958, as follows:

"Having contacted you many times in the past, it is needless for us to go into detail as to the needs of this bill other than to say that we in Texas have been deprived of our early markets on onions practically every year that this practice of marketing the fall and winter onions on the Mercantile Exchange has existed. This procedure is built up by the will of the manipulators and it goes up and down like a thermometer, only the effect is far more severe on the growers of onions."

These people are close to the problem and this is their continuing insistent recommendation. Anything you can do to bring about expeditious consideration of H. R. 376 will be appreciated by the onion industry of Texas as well as by me.

With my kindest personal regards, I am.
Sincerely,

JOE,
Member of Congress.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of the time under my control.

Mr. KNOWLAND. Mr. President, I yield 1 minute to myself.

The PRESIDING OFFICER (MR. PROXMIRE in the chair). The Senator from California is recognized for 1 minute.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, certain communications which I have received from growers in California.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

SUNSPICED VEGETABLE, INC.,
VACAVILLE, CALIF., July 9, 1958.

Hon. WM. S. KNOWLAND,
United States Senate,
Washington, D. C.

Sincerely hope that Senate will act favorably on S. 778 and S. 1514 banning trading in onion futures. Please push all possible.

ALBERT S. PORTER.

EL CENTRO, CALIF., May 20, 1958.

Hon. Senator WILLIAM KNOWLAND,
Senate Office Building,
Washington, D. C.

We understand legislation pertaining to onion futures will be coming up tomorrow and as per previous requests would appreciate anything which can be done in support of this measure.

This bill is being watched very closely as it has the support of Western Growers Association, the United Fresh Fruit, and Vegetable Association, the National Onion Association, and many other farm groups, especially those interested in perishable commodities. Please be advised that most western onion farmers see no relationship between perishable farm commodities which there is future trading on and those items which are nonperishable farm commodities. Many thanks for you past courtesy reference this matter.

DANNY DANENBERG.

Mr. KNOWLAND. I yield 1 minute to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I am in full agreement with the nearly unanimous opinion of those most concerned in Colorado that trading in onion futures should be abolished.

The onion growers of our Nation have never asked for controls such as we find today on other farm products. They have been content to face free market conditions in selling their product. They are asking only for simple justice—a free market that is really free; price governed by supply and demand. But, when manipulators are able to produce violent fluctuations in price that have been characteristic of the onion market since trading in futures began, that freedom is denied the grower.

Emphasis is needed for clarity here as to why futures trading in onions is undesirable.

Onions are produced in relatively small quantities. They are highly perishable and require expensive storage if kept for any length of time. It is virtually impossible for the farmer to withhold his production to wait for a more favorable price. Growers cannot deal in the futures themselves, and the profits are therefore all to the speculators.

The consumer never benefits from this fluctuation. Retail prices remain about the same whether the producer receives 1 cent or 4 cents a pound.

I am anxious that the Senate pass this measure at once and re-establish an equitable, free market that will act as a new incentive for our hard-pressed onion growers. By failing to pass this bill, we are, in fact, justifying the continued enrichment of traders and speculators at the expense of the onion growers, and of a large segment of our farm economy.

The PRESIDING OFFICER. If all remaining time on the amendment is yielded back, the question now is on agreeing to the committee amendment in the nature of a substitute.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

Mr. JOHNSON of Texas. Mr. President, the minority leader has under his control 15 minutes in opposition to the bill.

Mr. KNOWLAND. Mr. President, let me inquire whether any Senator desires to have me yield time to him. If not, I yield back the time under my control.

Mr. JOHNSON of Texas. Mr. President, I do likewise.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 376) was read the third time and passed.

The title was amended so as to read: "An act to prohibit trading in onion futures on commodity exchanges."

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

HOUSING ACT OF 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1736, Senate bill 4035.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 4035) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, it is hoped that the Senate will be able to accept some amendments offered by the distinguished Senator from Indiana [MR. CAPEHART], and to take final action on the bill today.

Therefore, Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, the Senator from Alabama [MR. SPARKMAN] is present, and I am sure he is prepared to make an explanatory statement on the bill.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of July 17, 1958
85th-2d, No. 120

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HIGHLIGHTS: House committee ordered reported bill to facilitate insured loans by USDA. Rep. Hill urged prompt enactment of farm legislation. Rep. Cooley criticized USDA position on barter program. Rep. Martin introduced and discussed Administration bill for study of Federal pay systems. House received conference report on Labor-HEW appropriation bill. Senate debated trade agreements extension bill. Senate committee ordered reported accrued expenditures budgeting bill.

SENATE

1. **TRADE AGREEMENTS.** Continued debate on H. R. 12591, the trade agreements extension bill (pp. 12822-39, 12842-54, 12855-69, 12871-12914). Adopted an amendment by Sen. Capehart to request the Tariff Commission to study the advisability of basing tariff rates upon the wage rates paid in the respective countries (p. 12903).
Rejected, 4 to 85, an amendment by Sen. Clark to make the Trade Agreements Act permanent (pp. 12864-9).
2. **BUDGETING.** The Appropriations Committee ordered reported with amendments H. R. 8002, the accrued-expenditures budgeting bill. p. D691
3. **LOW-INCOME FARMERS.** Sen. Hoblitzell inserted a chapter, from a book on Resource Training, which discussed how low incomes in agriculture can be improved through area development or rural development projects. pp. 12821-2
4. **CORN.** Sens. Murray and Flanders were added as cosponsors to S. J. Res. 105, to designate the golden corn tassel as the national floral emblem. p. 12917

HOUSE

5. FARM LOANS; FORESTRY. The Agriculture Committee ordered reported H. R. 10965, to improve the insured-loans program under Title I of the Bankhead-Jones Farm Tenant Act; H. R. 12494, with amendment, to authorize the Secretary in selling certain lands to N. C. to permit the State to sell or exchange such lands for private purposes; and H. R. 8481, to extend the forestry provisions of the Agricultural Act of 1956 to Hawaii. p. D694
6. FEDERAL-STATE RELATIONS. Passed, 241 to 155, with amendments H. R. 3, to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. pp. 12784-818
Agreed, 206 to 88, to an amendment by Rep. Willis which specifically provides for the enforcement of State statutes prescribing criminal penalties for subversive activities. pp. 12793-97
Rejected an amendment by Rep. Withrow to exclude from the bill any act of Congress relating to common carriers and their employees operating in interstate commerce. pp. 12801-02
7. PERSONNEL. The Post Office and Civil Service Committee reported with amendment S. 25, to specify the effective date upon which changes in pay of wage-board employees shall begin following the start of a survey (H. Rept. 2207). p. 12813
The Post Office and Civil Service Committee ordered reported with amendment H. R. 1168, to clarify the application of Sec. 507 of the Classification Act of 1949 with respect to the preservation of the rates of basic compensation of certain employees in cases involving downgrading actions. p. D695
The committee appointed special subcommittees to consider H. R. 9407, to provide additional opportunity for certain employees to obtain career-conditional and career appointments in the competitive service; and H. R. 6552, to authorize the noncompetitive acquisition of a competitive status by employees with a service-connected disability.
8. WATER POLLUTION. The Public Works Committee reported without amendment H. R. 13420, to amend the Federal Water Pollution Act so as to increase the limitation on certain grants for construction from \$250,000 to \$500,000 (H. Rept. 2212). p. 12813
9. ONION FUTURES. Conferees were appointed on H. R. 376, to prohibit trading in onion futures and remove onions from regulations under the Commodity Exchange Act. Senate conferees have not been appointed. p. 12781
10. APPROPRIATIONS. Received the conference report on H. R. 11645, the Labor-HEW appropriation bill for 1959 (H. Rept. 2220). With regard to the Mexican Farm Labor program, agreed to restore the House language to provide \$480,600 for determining compliance with contracts under the program, and to provide \$1,550,000 for administration of the program, instead of \$2,250,000 as proposed by the Senate. pp. 12782-84, 12813
11. FARM PROGRAM. Rep. Hill urged the House to "pass an agricultural bill similar to that pending before the Senate," with the inclusion of provisions for the extension of Public Law 480 and the Wool Act. He criticized "political opportunists ... trying to farm the farmer instead of working for sound, beneficial agricultural legislation and programs." p. 12810



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House of Representatives

The House met at 12 o'clock noon.
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalms 91: 2: *I will say of the Lord, He is my refuge and my fortune; my God, in Him will I trust.*

Almighty God, we are turning unto Thee in prayer for Thou art our refuge and strength, a very present help in time of trouble.

We beseech Thee to gird us, in these perilous days, with that wisdom which never errs, that love which never forsakes, and that strength which never fails.

Kindle within the hearts of the peace-loving nations the spirit of brotherhood that in times of suffering and tribulation we may all minister unto one another's needs.

Show us how we may bring to fulfillment and fruition those noble impulses of good will and friendship which Thou hast planted within the soul of man.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

TRADING IN ONION FUTURES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, with a Senate amendment thereto, disagree to the amendment of the Senate, and ask for a conference with the Senate on the disagreeing votes of the two Houses.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, ANFUSO, HILL, and HOEVEN.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommit-

tee on Elections of the Committee on House Administration may be permitted to sit during general debate while the House is in session during the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CORRECTION OF VOTE

Mr. WIGGLESWORTH. Mr. Speaker, it has been called to my attention that on rollcall 123 I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RETARDED CHILDREN

(Mr. DORN of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORN of New York. Mr. Speaker, as a member of the board of trustees of the League School for seriously disturbed children, I was heartened to learn that Senator BUSH, of Connecticut, had introduced in the Senate a joint resolution to provide that during the period commencing November 16 and ending November 28, 1958, the people of the United States be urged to give especial consideration to the needs and rights of the retarded children of the Nation. I am proud to introduce a companion resolution in the House, and did so yesterday.

The League School in my district in Brooklyn has won national recognition as the first nonresidential school for children heretofore given up as hopelessly uneducable. Psychiatrists, educators, and other professionals from different parts of the country and Canada have come to study and observe the work of the League School in order to start similar projects in their communities. The school has recently received a grant from the National Institute of Mental

Health to start a demonstration nursery school for retarded and disturbed children.

As another important means in making more people aware of the necessities involved in the treatment of mentally retarded and disturbed children and adults, I am very pleased to introduce this resolution.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CALL OF THE HOUSE

Mr. WILLIAMS of Mississippi. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 132]

Allen, Calif.	Edmondson	Powell
Anderson, Mont.	Engle	Radwan
Baring	Friedel	Reeve, Tenn.
Buckley	Glenn	Roberts
Burdick	Gordon	Robeson, Va.
Carnahan	Gregory	Shelley
Chamberlain	Gwin	Shuford
Christopher	Hays, Ark.	Sieminski
Clark	Jenkins	Smith, Kans.
Denton	Kearney	Talle
Dies	Kearns	Trimble
Diggs	LeCompte	Vorys
Dixon	Machrowicz	Williams, N. Y.
Eberharter	Miller, Md.	Moulder

The SPEAKER. On this rollcall 377 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

~~DEPARTMENTS OF LABOR, AND
HEALTH, EDUCATION, AND WEL-
FARE APPROPRIATION BILL, 1959~~

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H. R. 11645, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2220)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11645) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 29, 31, 47, 51, 54, and 57.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 7, 8, 10, 12, 13, 14, 23, 27, 28, 38, 52, 53, 56, 58, and 60, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,424,500"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,953,700"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$800,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$22,889,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$5,400,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$6,386,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$4,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$6,600,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,815,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$186,200,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$35,000,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,500,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,500,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,600,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$48,454,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: Recede from its disagreement to the amendment insert "\$4,108,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$40,473,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,124,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$28,974,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$75,268,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$52,419,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$45,611,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,420,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$31,215,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$24,071,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$29,403,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 5, 20, 34, 35, 40, 49, 50, 55, and 59.

JOHN E. FOGARTY,
WINFIELD K. DENTON,
FRED MARSHALL,
MELVIN R. LAIRD,
ELFORD A. CEDERBERG,
JOHN TABER,

Managers on the Part of the House.

LISTER HILL,
DENNIS CHAVEZ,
RICHARD B. RUSSELL,
WARREN G. MAGNUSON,
JOHN STENNIS,
JOHN O. PASTORE,
EDWARD J. THYE,
MARGARET CHASE SMITH,
CHARLES POTTER,
IRVING IVES,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11645) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF LABOR
Bureau of Labor Standards

Amendment No. 1.—Salaries and expenses: Provides that not less than \$201,575 shall be for the work of the President's Committee on National Employ the Physically Handicapped Week as proposed by the Senate instead of \$192,575 as proposed by the House.

Amendment No. 2.—Salaries and expenses: Appropriates \$1,004,000 as proposed by the Senate instead of \$995,000 as proposed by the House.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 22, 1958
For actions of July 21, 1958
85th-2d, No. 122

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HIGHLIGHTS: House debated bill to extend Public Law 480. House passed bills to: Increase allotments for extra-long staple cotton seed. Amend Federal Seed Act. House committee ordered reported Klamath Indian land bill. House received conference report on independent offices appropriation bill. Senate committee reported accrued expenditures budgeting bill. Senate debated trade agreements extension bill. Senate debated industrial uses research bill.

SENATE

1. **BUDGETING.** The Appropriations Committee reported with amendments H. R. 8002, the accrued expenditures budgeting bill, with individual views by Sen. Hayden (S. Rept. 1866). p. 13062
2. **TRADE AGREEMENTS.** Continued debate on H. R. 12591, the trade agreements extension bill. pp. 13075-6, 13085-6, 13093-5, 13110-11, 13115-45
3. **ONION FUTURES.** Conferees were appointed on H. R. 376, to prohibit trading in onion futures and remove onions from regulation under the Commodity Exchange Act. House conferees have been appointed. p. 13065
4. **RESEARCH.** Began debate on S. 4100, to provide for an expanded program of research on the industrial use of agricultural products. pp. 13098-13104
5. **FORESTRY.** Passed without amendment the following bills:
H. R. 10321, to authorize the exchange of lands of the Estes Park Administrative Site, Roosevelt National Forest, for lands of equal value outside

- the forest near Ft. Collins, Colo. This bill will now be sent to the President. p. 13097
- H. R. 11253, to authorize the Secretary of Agriculture to exchange certain Forest Service lands and improvements with Redding, Calif., Municipal Airport. This bill will now be sent to the President. p. 13097
- H. R. 12161, to authorize establishment of townsites from National Forest lands, including their sale to private individuals. This bill will now be sent to the President. p. 13098
- S. 3248, to authorize the Secretary of Agriculture to exchange lands comprising the Pleasant Grove Administrative Site, Uinta National Forest, Utah, with a Pleasant Gove, Utah, church. pp. 13097-8
- Passed as reported the following bills:
- S. 3439, to reconvey to Salt Lake City the Forest Service Fire Warehouse lot in that city. pp. 13096-7
- S. 3741, to facilitate the administration of Forest Service lands by making all FS lands (with the exception of the O&C revested lands) subject to administration as public domain or Weeks law lands. p. 13098
6. PERSONNEL. Passed as reported S. 4004, to encourage and authorize details and transfers of Federal employees for service with international organizations through the retention of Federal employee benefits during periods in which an employee is detailed to work with an international agency or who transfers to an international agency on leave from the Government. pp. 13095-6
7. WATER POLLUTION. The Public Works Committee ordered reported with amendments H. R. 6701, granting the consent of Congress to the Tennessee River Basin Water Pollution Control Compact. p. D708
8. WATER RESOURCES. The Public Works Committee ordered reported with amendments the following measures:
- S. 4021, to establish a U. S. Study Commission on the Savannah, Altamaha, St. Marys, Apalachicola-Chattahoochee, and Alabama-Coosa River Basins; and S. Res. 248, to provide for hearings on the relationships of water resource development programs of the U. S., Russia, and Communist China (previously approved by the Interior and Insular Affairs Committee). p. D708
9. WATERSHED PROJECTS. Received from the Budget Bureau plans for works of improvement on Lower Willow Creek, Mont., Whitegrass-Waterhole Creek, Okla., and Little Schuylkill River, Pa. pp. 13061-2
- The Public Works Committee approved watershed projects on Upper Lake Fork Creek, Tex., Dry Devils River, Tex., Lower Willow Creek, Mont., Little Schuylkill River, Pa., and White Grass Waterhole, Okla. p. D708
10. FEDERAL-STATE RELATIONS. Sen. Stennis discussed and urged enactment of H. R. 3 to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. pp. 13080-1
11. PERSONNEL ETHICS. Sen. Morse inserted an editorial commending Congress for providing a Code of Ethics for Federal employees. p. 13069
12. BUILDINGS. Sen. Smith, Me., urged greater attention to artistry and quality in the development of the Federal capital area. pp. 13072-3
13. SMALL BUSINESS. Sen. Proxmire inserted his testimony on behalf of S. 3850, the fair trade bill, urging the preservation and protection of the family store small business. p. 13074

and, without objection, the bill will be printed in the RECORD.

The bill (S. 4160) to establish a program of loans for the purpose of encouraging and assisting individuals to obtain a college education, introduced by Mr. BENNETT, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.,

SHORT TITLE

SECTION 1. This act may be cited as the "College Education Loan Act of 1958."

DEFINITIONS

SEC. 2. As used in this act—

(1) the term "Commissioner" means the Commissioner of Education, Department of Health, Education, and Welfare;

(2) the term "institution of higher education" means a public or private nonprofit college or university; and

(3) the term "accredited institution of higher education" means an institution of higher education which is accredited by a nationally recognized accrediting agency or association.

ESTABLISHMENT OF LOAN PROGRAM

SEC. 3. (a) The Commissioner shall establish a program providing for loans, in accordance with the provisions of this act, for the purpose of encouraging and assisting individuals to obtain education beyond the secondary school level in institutions of higher education in the United States, its Territories and possessions.

(b) The Comimissioner may establish such rules and regulations as are necessary to carry out the provisions of this act.

FEDERAL LOAN FUND

SEC. 4. (a) There is hereby established in the Treasury a special fund to be known as the "Federal College Education Loan Fund" which shall be used as a revolving fund for making loans under this act.

(b) There are authorized to be appropriated to the fund \$75 million.

LOANS

SEC. 5. Loans made to individuals under the provisions of this act—

(1) shall be made in such numbers as may be possible with available funds;

(2) shall be made upon application in such form and containing such information as may be prescribed by the Commissioner;

(3) shall be made only to individuals who show a need for the amount of such loan in order to pursue a course of study at an institution of higher education;

(4) shall not exceed \$2,000 to any individual for any academic year, as defined in regulations of the Commissioner, and may be made for one or more academic years, and may be made for the period of time required to complete such individual's work for the bachelor's degree and/or such post-graduate degrees as are confined to the individual's chosen academic area except for such special cases as may be provided for in regulations established by the Commissioner;

(5) shall be made only to individuals certified by an institution of higher education as acceptable for the course of study for which such loan is sought;

(6) shall be made without security, except that the borrower shall execute a promissory note payable to the United States, and if the borrower is a minor such note shall bear the endorsement of his or her parent or guardian;

(7) shall be due and repayable not later than 5 years after the date on which the borrower ceases to pursue a full-time course of study at an institution of higher education;

(8) shall be canceled to the extent of 25 percent of the amount on loan under the provisions of this act to any individual on the date such individual receives his first bachelor's degree, if such individual (A) had majored in one of the physical sciences in obtaining such degree, (B) obtains such degree from an accredited institution of higher education, and (C) has achieved grades while obtaining such degree which average in the upper 25 percent of the averages of grades of all individuals receiving bachelor's degrees from such institution of higher education in the academic year in which such individual received such degree;

(9) shall bear interest at the rate determined by the Secretary of Treasury, which is the average annual interest rate (adjusted to the nearest one-eighth of 1 percent) on all interest-bearing obligations of the United States then forming a part of the public debt, as computed at the end of the fiscal year next preceding the fiscal year in which the loan is made, except that no interest shall accrue prior to 1 year from the date on which the borrower ceases to pursue a full-time course of study at an institution of higher education; and

(10) may be made in such installments as the Commissioner deems appropriate, and in the event made in such installments may be discontinued at any time the borrower fails to maintain satisfactory proficiency in the course of study for which the loan is made.

ADMINISTRATIVE APPROPRIATIONS AUTHORIZED

SEC. 6. There are authorized to be appropriated such amounts as may be necessary for the administration of this act.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. PAYNE submitted amendments, intended to be proposed by him, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which were ordered to lie on the table, and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. JOHNSON of Texas:

Article in tribute to Senator TALMADGE printed in the New York Herald Tribune of July 19, 1958.

By Mr. MONRONEY:

Editorials comment relating to the passage of the air safety bill.

By Mr. NEUBERGER:

Editorial entitled "Corporate Idea," published in the Northwest Rurahite of July 1958.

Article entitled "Shall We Build a Fence?" written by Dorothy Lois Smith and published in the Oregon Journal of July 10, 1958.

By Mr. THURMOND:

Editorial entitled "States Versus Federal," from the State, of Columbia, S. C., of July 16, 1958.

By Mr. FULBRIGHT:

Editorial entitled "A Tragic Diplomatic Blunder," published in the Arizona Daily Star, Tucson, Ariz., of July 16, 1958.

By Mr. JACKSON:

Editorials from the Takoma News-Tribune and the Seattle Post-Intelligencer regarding proposed humane slaughter legislation.

By Mr. SPARKMAN:

Article by Mrs. Eleanor Roosevelt, published in the Washington Daily News of June 12, 1958; also article by Esther Tufty, of the Anniston (Ala.) Star, and published in the June 16, 1958, issue of that newspaper, on the subject of the need for housing for unattached and elderly persons.

By Mr. PROXIMIRE:

Article entitled "Dry Rot Eating Vets Program Under Hidden Federal Policies," published in the July 1958 issue of News of the American Legion.

Analysis by the Milwaukee Journal of the Middle East threat to peace.

By Mr. HOBLITZELL:

Article entitled "Troops and Policy," written by C. P. Ives, and published in the Baltimore Sun of July 21, 1958.

By Mr. WILEY:

Statement concerning new headquarters for National Wildlife Federation, published in Conservation News of July 15, 1958.

Article entitled "Missile in Soviet Strategy," written by Dr. Raymond L. Garthoff, published in Air Force magazine of July 1958.

By Mr. BRIDGES:

Articles dealing with criticism of the American exhibition at the Brussels World Fair.

By Mr. YARBOROUGH:

Letter from Jack Standard, chairman of the Elbeetian Legion, and proclamation of the Governor of Texas, regarding the 100th anniversary of the birth of W. D. Boyce.

AMENDMENT OF COMMODITY EXCHANGE ACT TO PROHIBIT TRADING IN ONION FUTURES IN COMMODITY EXCHANGES

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. EASTLAND, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

THE AMERICAN HERITAGE OF FREEDOM, AND THE SPIRITUAL HERITAGE OF OUR FOREFATHERS

Mr. SMITH of New Jersey. Mr. President, I know that I share the feelings of all Members of the Senate when I say that over the weekend I have been groping for light on the distressing world problems. I have reviewed in my thinking two dominant facts in our history which impress themselves on me: First, the American heritage of freedom; and, second, the spiritual heritage of our forefathers.

Let me comment on them briefly:

THE AMERICAN HERITAGE OF FREEDOM

In our heritage of freedom, the greatest single principle is that of liberty based on law. The United States was founded on the philosophy summarized

in the opening sentences of the Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

This is our American birthright of freedom. It is more than a privilege; it is a duty and a responsibility. Every human being must have the freedom to live his own life and to make his own choices; and this, I believe, is the big issue in the Middle East crisis today.

But freedom is not the road to luxury or license, nor is it the path of safety. It demands devotion and courage and a profound sense of responsibility.

Not only in the individual sense, but in the broader national sense, our birthright of freedom brings with it serious responsibilities. Communism would destroy that birthright, if communism ever achieves its goal of world domination. If, on the other hand, liberty prevails, the birthright of freedom is given to all mankind, and the world can aspire to a future of peace with justice, and the rule of law in the place of the rule of might. I emphasize again that this is what the nations of the Middle East seek.

Now let me consider our spiritual heritage.

THE SPIRITUAL HERITAGE OF OUR FOREFATHERS

Let me return to the Declaration of Independence, and examine its concluding sentence:

And for the support of this Declaration, with a firm reliance on the protection of divine providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor.

Mr. President, I believe it apparent that this document is not merely an expression of political principles. The inspiration of the Declaration springs from its statement of basic moral and religious principles, which are rooted in the Judaeo-Christian tradition of human dignity and equality under God.

I should like to stress this point, because it sums up the most important difference between democracy and communism:

Communism entirely opposes the proposition that all men are creatures of God. Communism is completely materialistic and atheistic; it denies God altogether.

Throughout our history in times of national crisis America, through its leaders, has affirmed, in the words of Benjamin Franklin, that "God governs in the affairs of men."

Franklin, we know from his biography, was never driven by any particular brand of piety. All the more moving, then, was his dramatic plea to the Constitutional Convention of 1787, when, late in the session, the delegates reached a crisis of dissension which made it look as if the Union might never be achieved.

At this point, Franklin, then 81, rose to address the Convention with these words:

The small progress we have made, after 4 or 5 weeks' close attendance and continual

reasonings with each other, our different sentiments on almost every question, several of the last producing as many noes as ayes, is, methinks, a melancholy proof of the imperfection of the human understanding. We, indeed, seem to feel our own want of political wisdom, since we have been running all about in search of it. * * *

In this situation of this Assembly, groping, as it were, in the dark to find political strength, and scarce able to distinguish it when presented to us, how has it happened, sir, that we have not hitherto once thought of humbly applying to the Father of Lights to illuminate our understanding? * * *

I have lived, sir, a long time, and the longer I live the more convincing proofs I see of this truth: That God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid? I * * * believe that without His concurring aid we shall succeed in this political building no better than the builders of Babel. We shall be divided by our little, partial, local interests, our projects will be confounded, and we ourselves shall become a reproach and byword down to future ages. And, what is worse, mankind may hereafter, from this unfortunate instance, despair of establishing governments by human wisdom, and leave it to chance, war, and conquest.

History indicates that this was the turning point in the Convention. When the delegates returned, after a short recess, they gave to the Colonies and to the world the document, the Constitution of the United States, that is the framework of our liberty and our strength.

Mr. President, I ask my colleagues whether this challenge of Benjamin Franklin, so inspiring presented, is not what we need now in our dealing with this international crisis. How can the right answer be found unless we turn, as Franklin said, "to the Father of Lights to illuminate our understandings"? The times call for a renewal of our faith and a new dedication to re-establish, once again, the moral leadership of a free America in the world.

NECESSITY FOR PRESERVING INTERNATIONAL LAW AND ORDER

MR. KNOWLAND. Mr. President, the world must find out now if there is to be an effective way, through the United Nations or otherwise, of preserving international law and order, or if the reign of assassination, subversion, and infiltration of arms and men is to be unchecked and unchallenged. If such be the case, the free world can be nibbled away, piece by piece.

Because of the Soviet veto in the Security Council and the Communist delaying tactics in the General Assembly, it was clearly shown in the 1956 Hungarian situation that freedom was strangled to death that year while the United Nations passed 10 resolutions.

If the free world is to be limited to mere talk to preserve the independence of nations while the Communists have the capacity to act and to destroy them, then the world has reached one of the great and decisive turning points of history.

The ultimate safety of this Republic and the preservation of a free world of free men is at stake.

I ask unanimous consent that there may be printed in the body of the RECORD, as a part of my remarks, an article by Roscoe Drummond which appeared in this morning's Washington Post and Times Herald.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEBANON AND HUNGARY: A FALSE PARALLEL

(By Roscoe Drummond)

When President Eisenhower sent the United States marines into Lebanon to protect its Government from violence, he candidly told the Nation that he was taking this action "whatever the consequences."

It is well that he spoke thusly because none can foresee what the chain of events will be. It was a reluctant action; perhaps it was a tardy action; but the United States had no alternative unless we were prepared to see the whole Middle East fall, piece by piece, under the reckless sway of Nasser.

The responsible Democratic leaders of Congress are not heckling the President in this anxious emergency. They can honestly feel that mistakes of foreign policy permitted the situation to get out of hand. But this is not the time for recriminations or scapegoating. Whatever the mistakes of the past they are not the exclusive possession of any administration or any party.

There are lessons to be learned all along the road from the loss of China to the disaster in the Middle East. But the immediate need is not to permit any partisan temptation to blur the propriety of the President's course.

Moscow, along with the Chinese Communists and the Bulgarian Communists and the Yugoslav Communists and some others, are doing their best to blur the issue. We need to be careful not to help them.

The Soviet Union now suddenly and blandly transforms itself into a shining opponent of "outside interference" in the affairs of other nations. A few days after it told the United Nations that it could not even have the facts about the execution of Hungary's last legal premier, Imre Nagy, it warned the Security Council that it must not tolerate interference by the United States in the internal affairs of Lebanon.

Bear in mind that the Soviet Union wants violence and chaos wherever it can obtain it outside the Soviet bloc. Moscow doesn't want an end to violence in Lebanon. It doesn't want the United States to secure conditions of peace and it doesn't want the United Nations to do it either.

There will be many outside the United States and perhaps some at home who will be bemused by the argument that American forces are doing in Lebanon what Soviet forces did in Hungary. This is a false parallel and ought not to be left unanswered.

It is false at three points, at any one of which it breaks down completely:

1. The United States responded to the unanimous Cabinet request of the legitimate and elected government of Lebanon.

The Soviet Union never received any request for help from any elected government or from any legitimate government or official of Hungary—and this is the unanimous verdict of the United Nations Hungarian Commission.

2. The United States is not seeking to impose any government or any form of government on Lebanon. This is proved by the fact that the United States has offered to withdraw its forces instantly the United Nations will take their place.

Did the Soviet Union ever offer to let the United Nations go into Hungary to insure government by the consent of the governed?

3. Moscow says it does not wish to interfere in the internal affairs of Lebanon and doesn't want the United States to do so.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: House subcommittee ordered reported cotton amendments to farm bill. Senate passed bills to: Provide accrued expenditure budgeting. Regulate withholding of information by agencies. Senator Humphrey criticized GAO ruling on REA loan authority. House committee ordered reported omnibus housing bill.

HOUSE

1. FARM PROGRAM. The "Daily Digest" states that the Subcommittee on Cotton of the Agriculture Committee "met in executive session on provisions relating to cotton in S. 4071, re marketing programs for various agricultural commodities, and ordered reported to the full committee certain amendatory recommendations of the bill." pp. D770-71
2. HOUSING. The Banking and Currency Committee ordered reported with amendment S. 4035, the omnibus housing bill. p. D771
3. ONION FUTURES. Conferees agreed to file a conference report on H. R. 376, to prohibit trading in onion futures and remove onions from regulation under the Commodity Exchange Act. p. D771
4. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee ordered reported with amendment H. R. 9407, to provide additional opportunity for certain employees to obtain career-conditional and career appointments in the competitive service. p. D771

5. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported with amendment H. R. 474, to repeal Sec. 217 of the Merchant Marine Act of 1936 relating to the coordination of the forwarding and servicing of water-borne export and import foreign commerce of the U. S. (H. Rept. 2332), and H. R. 8382, to provide for the licensing of independent foreign freight forwarders (H. Rept. 2333). p. 14493
6. MILITARY CONSTRUCTION. Conferees were appointed on H. R. 13015, to authorize construction at military installations. Senate conferees have not been appointed. p. 14397
Both Houses
7. APPROPRIATIONS. /agreed to the conference report on H. R. 12948, the D. C. appropriation bill for 1959, and insisted on its disagreement to two of the Senate amendments. pp. 14397-98, 14384, 14388-90. Ready for the President.
Conferees were appointed on H. R. 12738, the Defense Department appropriation bill for 1959. Senate conferees have not been appointed. p. 14398
8. FORESTRY. Conferees were appointed on S. 3051, to provide for either private or Federal acquisition of that part of the Klamath Indian forest lands which must be sold. Senate conferees have been appointed. p. 14445
9. ELECTRIFICATION. The Public Works Committee was granted permission until midnight Fri., Aug. 1, to file a report on S. 1869, to provide TVA with the authority to issue bonds to finance the construction of new generating capacity. pp. 14485, 14490
10. SMALL BUSINESS. Rep. Kilburn was relieved as a conferee on S. 3651, to make equity capital and long-term credit more readily available for small-business concerns, and Rep. Betts was appointed in his place. p. 14485
11. WATERSHEDS. The Public Works Committee approved work plans for the following watershed projects: Alamo Arroyo and Diablo Arroyo, Tex.; Elm River, N. Dak.; Mud River, Ky.; Tramperos Creek, N. Mex.; Dry Devils River, Lowery Draw, and Upper Lake Fork Creek, Tex.; Lower Willow Creek, Mont.; Whitegrass-Waterhole Creek, Okla.; and Little Schuylkill River, Pa. pp. 14445, 14493
12. COMMITTEE ASSIGNMENTS. Rep. Coudert resigned as a member of the Appropriations Committee, and Rep. Lipscomb was elected in his place. p. 14490
13. SURPLUS COMMODITIES. Both Houses received from this Department the monthly report of the General Sales Manager regarding sales of CCC surplus commodities. pp. 14492, 14342
14. ATOMIC ENERGY. Both Houses received the semiannual report of the Atomic Energy Commission. pp. 14492-93, 14342
15. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Private Calendar will not be called Tues., Aug. 5. p. 14485

SENATE

16. BUDGETING. Passed, 68 to 6, as reported H. R. 8002, the accrued expenditures budgeting bill (pp. 14390-5).
As passed by the Senate, the bill provides as follows: When the President determines that there is a satisfactory accrual-accounting system for an appropriation or fund account, his estimates shall be accompanied by a proposed accrued-expenditures limitation, and he may include proposed authorizations for

Aug 7, 1958

14. REP. HILL. Several Representatives paid tribute to the service of Rep. Hill, ranking minority member of the Agriculture Committee, who is retiring from Congress after this session. pp. 15223-25
15. LEGISLATIVE PROGRAM. At the request of Rep. McCormack unanimous consent was granted for consideration of bills under suspension of the rules Mon., Aug. 11. Rep. McCormack announced that "as far as the House is concerned, we could clean up our business pretty much in the next 10 days, the next week, probably, but the next 10 days, anyway." He also announced that the private calendar will be called Wed., Aug. 13. p. 15169

SENATE

16. FARM PROGRAM. Sen. Stennis stated that defeat of the farm bill in the House might have an adverse effect on cotton, and urged that those concerned meet with Secretary Benson in an effort to reach some agreement. Sen. Aiken agreed and said he would favor calling Congress back into special session on the cotton problem if legislation were not agreed to before adjournment. pp. 15137-8

Sens. Proxmire and Humphrey criticized Secretary Benson for the present farm program and asserted that it was hurting the farmer while "wasting the taxpayers' money" due to alleged inefficiencies in operating the program. pp. 15143-5

Sen. Proxmire analyzed the bills he has introduced in this session and asserted that, if enacted, they would result in \$700 million net savings, including \$1 billion from adoption of S. 2952, his general farm bill. pp. 15139-43

17. ONION FUTURES. Agreed to the conference report on H. R. 376, to prohibit trading in onion futures. The report reduces the maximum penalty for violation from \$10,000 fine plus imprisonment to \$5,000, and retains onions under the jurisdiction of CEA. p. 15133

18. FARMER COMMITTEES. Began debate on S. 1436, to amend the Soil Conservation and Domestic Allotment Act to revise the procedures governing the election of farmer committeemen and the administration of the farm program by the committees. Sens. Proxmire and Humphrey urged enactment of the bill in order to strengthen local controls over farm programs. pp. 15161, 15164-6

19. SEED WHEAT. Passed without amendment H. R. 11581, to remove wheat for seeding purposes which has been treated with poisonous substances from the unfit for human consumption category of Sec. 22 of the Agricultural Adjustment Act of 1933. S. 666, a similar bill, was indefinitely postponed. This bill will now be sent to the President. pp. 15133, 15153

20. SURPLUS COMMODITIES; FOREIGN TRADE. Passed without amendment H. R. 13268, to authorize CCC to purchase flour and cornmeal for donation instead of being limited to having such products processed from its own stocks. S. 3858, a similar bill, was indefinitely postponed. The House report was printed in the Record (pp. 15153-5). This bill will now be sent to the President. p. 15155

21. WOOL. Sens. Mansfield and Neuberger urged extension of the National Wool Act. pp. 15163-4

22. MINERALS. Agreed to the House amendment to S. 3817, to encourage exploration for minerals in the U. S. This bill will now be sent to the President. p. 15139

Agreed to the conference report on S. 2069, to amend the Mineral Leasing Act to promote the development of coal on the public domain. This bill will now be sent to the President. p. 15164

23. APPROPRIATIONS. Agreed to the conference report on H. R. 13015, the military construction appropriation bill for 1959. This bill will now be sent to the President. pp. 15148-53
24. DESERT-LAND ENTRIES; RECLAMATION. Adopted S. Con. Res. 112 and S. Con. Res. 113, to request the President to return enrolled bills S. 359, to permit desert land entries on disconnected tracts of land up to 320 acres, and S. 4002, to authorize the Grey Reef dam and reservoir as part of the Glendo unit, Missouri River Basin project, to be reenrolled with certain language changes. p. 15130
25. MARGARINE. The Armed Services Committee ordered reported with amendment H. R. 912, to amend the Navy ration statute to permit the serving of oleo-margarine and margarine. pp. D810-11
26. PERSONNEL. The Post Office and Civil Service Committee ordered reported without amendment H. R. 1168, to restore the pay of officers or employees to the level of the grade held before downgrading in certain cases. p. D811
27. FORESTRY. Sen. Clark called attention to forestry expansion in Pa., and inserted two articles on the development of the paper industry there. pp. 15135-6
28. SMALL BUSINESS. Agreed to the conference report on S. 3651, the Small Business Investment Administration bill. This bill will now be sent to the President. pp. 15159-61
Sens. Thye, Sparkman, Mundt, and Bridges discussed passage of the small business tax revision bill, and Sens. Mundt and Bridges commended the efforts of Sen. Thye for small business. pp. 15156-9
29. ECONOMIC SITUATION. Sen. Martin, Pa., asserted that inflation can only be solved by a mechanism to tie wage increases to productivity gains and stated that the addition of price stability as a goal to the Employment Act of 1946 would be of little value in securing confidence in the Government. pp. 15161-2
30. LEGISLATIVE PROGRAM. Sen. Mansfield announced the addition of S. 4146, to provide incentive payments to producers of strategic minerals, and S. 4162, to amend the Defense Production Act to increase the amount of the loan fund, to the list of bills for consideration on Fri., Aug. 8. He stated there would be no session on Sat., Aug. 9. A call of the Calendar was ordered for Mon., Aug. 11. pp. 15156, 15166

ITEMS IN APPENDIX

31. TVA. Extension of remarks of Rep. Dooley opposing S. 1869, which would authorize TVA to issue and sell bonds to assist in financing power programs. pp. A7102-3
Extension of remarks of Rep. Byrne opposing this bill, favoring the omnibus rivers and harbors bill and the St. Lawrence seaway. pp. A7104-5
32. FAIR TRADE. Rep. Alger inserted "pertinent" remarks on the proposed fair trade bill made by Robert A. Bicks of the Justice Department's Antitrust Division. pp. A7118-9

Senate to the bill (H. J. Res. 424) to improve the administration of justice by authorizing the Judicial Conference of the United States to establish institutes and joint councils on sentencing, to provide additional methods of sentencing, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. O'MAHONEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. HENNINGS, and Mr. HRUSKA conferees on the part of the Senate.

PROHIBITION OF FUTURES TRADING IN ONIONS—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That (a) no contract for the sale of onions for future delivery shall be made on or subject to the rules of any board of trade in the United States. The terms used in this act shall have the same meaning as when used in the Commodity Exchange Act.

(b) Any person who shall violate the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof be fined not more than \$5,000.

SEC. 2. This act shall take effect 30 days after its enactment.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
JAMES O. EASTLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

HAROLD D. COOLEY,
CLARK W. THOMPSON,
WILLIAM S. HILL,
SID SIMPSON,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ELLENDER. Mr. President, I have consulted with the majority leader and minority leader, and there is no objection to the consideration of the conference report at this time.

All the Senate Members of the committee of conference signed the report. There has been no change in the bill except that the penalty has been reduced from \$10,000 and imprisonment to a fine of \$5,000 only. In other words, the committee of conference saw fit to eliminate the provision for a jail sentence and to reduce the amount of the fine.

Also, the committee of conference has permitted onions to remain under the jurisdiction of the CEA, because it was argued by the House that it might be well to do so in order to prevent a cornering of the onion market and other marketing manipulations.

Mr. POTTER. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. POTTER. I wish to commend the distinguished Senator from Louisiana for bringing from the conference what I believe to be an excellent report. I know there is question as to what the report will accomplish and what the onion farmers claim it will accomplish, and I wish to say to the Senator from Louisiana that in my State there is a great deal of interest in this matter.

I commend the Senator from Louisiana for his usual workmanlike job.

Mr. ELLENDER. I thank the Senator from Michigan.

Mr. President, I ask for the adoption of the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

AMENDMENT OF THE DEFENSE PRODUCTION ACT OF 1950

The PRESIDING OFFICER. The hour of 2 o'clock has arrived; and the Chair lays before the Senate the unfinished business, which will be read by title.

The LEGISLATIVE CLERK. A bill (S. 4162) to further amend the Defense Production Act of 1950, as amended.

POISONED SEED WHEAT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 666.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 666) to remove wheat for seeding purposes which has been treated with poisonous substances from the "unfit for human consumption" category, for the purposes of section 22 of the Agricultural Adjustment Act of 1933, which had been reported from the Committee on Agriculture with an amendment.

NINETEEN HUNDRED AND FIFTY-NINE NAACP CONVENTION IN ST. PAUL, MINN.—CONTEST ON "WHAT THE NAACP MEANS TO ME"

Mr. THYE. Mr. President, at the recent annual convention of the NAACP, held in Cleveland, Ohio, it was decided that next year's annual convention would be held in St. Paul, Minn. I wish to express my appreciation to this national organization for having chosen Minnesota's capital city as the site for its next annual convention.

In recognition of this fact, I refer to an essay written by Miss Joyce Hughes, of Minneapolis, Minn. She submitted the prize-winning essay in the contest entitled "What the NAACP Means to Me." Miss Hughes' essay recently was published, in two installments, in the Minneapolis Spokesman. I ask unanimous consent that her essay be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Spokesman of July 25, 1958]

JOYCE HUGHES PRIZE-WINNING ESSAY TELLS HISTORY OF NAACP

EDITOR'S NOTE. Miss Joyce Hughes, age 19, of 3716 Fourth Avenue South, Minneapolis, Minn., was selected unanimously by judges Dr. Samuel H. Popper, Judge Archie L. Gingold, and Rev. Denial A. Carty, as Miss NAACP of Minnesota for 1958. The selection was made following a program sponsored by the St. Paul branch, NAACP, at Maxfield Elementary School on Thursday, July 17, 1958. The award was based upon Miss Hughes' essay and presentation of What the NAACP Means to Me. The judges also took into consideration the poise, grooming, and personality reflected during their personal interview with the candidates. Miss Hughes sponsored by the Just For Fun Club, is a graduate of Central High School in Minneapolis, is a member of the St. Paul branch, NAACP, and is presently attending Carleton College in Northfield, Minn.

(By Joyce Hughes)

Springfield, Ill.—1908. "I know who did it," the woman said, "George Richardson. He's a colored man. He was working in this neighborhood." "You're positive it was he who beat and raped you?" asked the policeman. The woman was absolutely certain so a special grand jury was called. Only this time she decided it hadn't been George Richardson, but a white man. However, she refused to give his name. That wouldn't be proper, she said. Nevertheless the damage had been done.

Quick to organize and act, a mob went after George Richardson. Fearing for his prisoner, the mayor had rushed George to a nearby town for safety. Disillusioned, but rampant, the angry mob began destroying Negro businesses and forcing Negro families from their homes. As they dragged the body of a Negro barber through the streets, the State militia quieted them—but not for long.

The next night they lynched an 84-year-old Negro man who had been married to a white woman for 30 years. After order had been restored with 5,000 militiamen patrolling the streets, 6 citizens were dead and 70 injured.

This particular race riot was not unlike many others that took place in America during the early part of this century. However, it did perform an important and far-reaching function in providing the impetus for several white people to organize the Na-

tional Association for the Advancement of Colored People.

Since its beginnings in 1909, the NAACP has been instrumental in making democracy a reality for Negroes in America. Using the courts as an arena, the NAACP has fought its way to many victories. At the outset, the association's policy was to bring suit every time a Negro was denied the same opportunities open to whites. Its aim was to so burden the States concerned with the trouble and expense of providing separate facilities that they would give up the struggle. The NAACP soon switched from the defensive to the offensive and began attacking the principle of segregation itself. The association's early years were not earth shaking.

The bulk of its work was to promote the enactment of laws beneficial to Negroes and serve as a legal counsel for them. The NAACP's record before the Supreme Court is long and impressive—47 won, only 4 lost. The work of the association has been in all areas—housing, voting, employment, travel facilities, education, and many other fields. Working steadily toward its goals, the NAACP has never become sidetracked or discouraged.

It took 31 years and more than \$100,000 for the association to win one of its 47 favorable Supreme Court decisions. The most celebrated and historic victory came in May 1954, when the Court outlawed segregation in public schools. Two years later, in 1956, came the decision declaring that segregated seating on city buses was unconstitutional.

Although the NAACP acts mainly through the courts, the effect of its legal actions is enormous outside the halls of justice. The Little Rock situation is an example. One of its effects is personified in Minnijean Brown.

Miss Brown was among the 9 Negro students admitted to Central High School because the local and national branches of the NAACP used their strength to make the 1954 decision a reality. Minnijean was suspended several times and finally expelled for various rash actions. The newspapers reported on the front pages that a Little Rock Negro student had poured a bowl of chili on a white student and in general was creating a disturbance at Central High School.

One white girl told a reporter, "I hate Minnijean, she thinks she is as good as we are." Minnijean said this: "I felt those kids would do anything. Boys would come up behind me and kick me. Kids would wear little cards on their sweaters saying things like 'Brotherhood by bayonet' and one with a little black man saying, 'I come here to integrate for the NAACP.'

"The Bill of Rights seems to be a joke in Little Rock, like it was planned for white people. It's not at all that much pleasure to sit next to someone white in a classroom, but you want the same education and chance in life as they have. One thing I know: It's hard not to fight back." Many people think that Minnijean acted irrationally and didn't make a real effort to aid the integration program.

I look at it differently. Minnijean knew her worth as a human being; she knew her constitutional rights. She was simply trying to make these rights a reality. And if the NAACP had not won that unanimous decision, Minnijean wouldn't have had either the opportunity or the courage to assert her rights.

The same holds true in the Montgomery bus boycott situation. While the NAACP was presenting its case in court, Negroes in Alabama demonstrated their capacity to ensure what was necessary to make their constitutional rights a daily reality. Ninety-eight percent of the 50,000 Negroes in Montgomery refused to ride the city's segregated buses. The Walk-Don't-Ride boycott continued despite mass arrests of Negroes.

Rev. Martin Luther King declared, "We will not resort to violence. We will not de-

grade ourselves with hatred. Love will be returned for hate." The NAACP has always stood for advancement through the law. Even after the decision had been won, the Negroes were subjected to threats, insults, and actual bombings.

With the support of the NAACP, they held their ground and won the respect and admiration of many white citizens for their program of passive resistance.

In 1951 an incident occurred in Clarendon County, S. C., that dramatically points out what the NAACP means to Negroes. Clarendon County is inhabited by poor whites who possess an unbelievable amount of racial hatred. Not surprisingly, the Ku Klux Klan operates with great strength there.

When the Negroes of Clarendon decided to assert their rights and demand integrated schools, a NAACP attorney, Spottswood Robinson went to speak with the parents. He explained that the NAACP's program was to attack the principle of segregation and not to waste time with the separate-but-equal doctrine. Fearing that the Negroes would not dare to risk opposing the strongly organized segregationists, Mr. Robinson asked them to think the situation over and make positive decision at a later meeting.

A father in the rear of the building stood up and posed this question: "As I understand the position of the NAACP, it is impossible for our children to get equality so long as we have segregation. Is that correct?" Robinson answered that it was. The man looked at Robinson and quietly told him, "Well, we have known that in this county for a long time and we simply have been waiting for you and the NAACP to find out the same thing." To me this incident displays with crystal clearness that Negroes throughout the United States look to the NAACP to provide them with the opportunity to advance and give them the courage to demand the rights granted to every American citizen in the Constitution.

[From the Minneapolis Spokesman of August 1, 1958.]

FINAL INSTALLMENT OF PRIZE-WINNING ESSAY ON NAACP MOVEMENT

(This is the concluding installment of a prize-winning essay by Joyce Hughes, of Minneapolis, which was adjudged best of five essays submitted. The first installment was printed in this paper July 25.)

(By Joyce Hughes)

In addition to the case of Minnijean Brown, the Negroes of Montgomery and Clarendon County, the NAACP has been active on behalf of countless other Negroes. I don't know exactly what the NAACP meant to Miss Brown and all the others.

To each it had a special significance, but to all it brought hope, courage, and most important, advancement. As I think of what it has meant to Negroes throughout the country, I can rejoice in the victories the NAACP has won for them because as a Negro, I share the future it has brought other members of my race. It is a comfort to know that what the NAACP did for them it can and will do for me. The significance of the association's many victories lies not only in the advancement it has brought for Negroes, but the advancement it has brought for all America.

The United States suffers when democracy is not made a reality for all its citizens. It suffers in international relations, it suffers in domestic relations. Improving the Negroes' condition also improves that of his white brother.

Every time the NAACP steps into a civil rights case, it performs another job vital to democracy. Radio announcers, television cameras, newspaper reporters all jump to the scene. Instantly, every American takes a side and debates the issue as heatedly as he would during a political campaign. Abraham Lincoln once said that public sentiment is everything.

"With public sentiment, nothing can fail; without it, nothing can succeed. Consequently, he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible or impossible to be executed." Criticism is often hurled at the NAACP for stirring up the public. But it needs to be constantly prodded before it will act. Stagnant people are ignorant people. And there are many Americans who have never thought seriously about the nature of our democracy. Many are oblivious to the fact that Negroes have never received their full share of this democracy.

According to a Roper poll in 1950, the Negro vote has been a determining factor in the change in public opinion on the subject of segregation. And the NAACP has been the force behind the extension of voting privileges to Negroes. In fighting laws aimed at disfranchising the Negro, the NAACP has also aided many whites who were discriminated against at the polls. And, no matter what its opponents have against the association, they must admit that it operates with complete legality through due process of law. This fact is uppermost in my mind as I think of what the NAACP means to me.

Operating within the confines of the law is a slow, tedious process. Using the courts as a battlefield and the constitutional rights of Negroes for artillery, the NAACP has forged ahead, like a clock ticking steadily through a violent storm. The association has weathered many storms and is still ticking. The NAACP won't stop until its goals are reached. As the clock ticks away the hours, days, and years, we move closer and closer to that year—1963, the 100th anniversary of emancipation.

By then the NAACP hopes to have erased all forms of discrimination and to have secured full-fledged citizenship for Negroes. And if, by chance, the NAACP falls short of its goals, it will calmly wind the clock and begin anew. That's the way the NAACP is—never giving up or going back, but moving onward and upward. But I have no doubts that the association's goals in the sky will be reached. The NAACP makes its middle name—"Advancement"—come alive. As we progress, I see that day when the fatherhood of God and the brotherhood of man will become a reality. In the year 1887 Alfred Lord Tennyson looked to the years ahead:

"Yet I doubt not thro' the ages one increasing purpose runs,
And the thoughts of men are widened with
the process of the suns.
Men, my brothers, men the workers, ever
reaping something new:
That which they have done, but earnest
of the things that they shall do.
Not in vain the distance beacons. Forward,
forward let us range.
Let the great world spin forever down the
ringing grooves of change.
For I dip into the future, far as human
eye could see.
Saw the vision of the world and all the
wonder that would be *** the war-
drum throb'd no longer, and the
battle flags were fur'd
In the Parliament of Man, the Federation
of the World.
There the common sense of most shall hold
a fretful realm in awe,
And the kindly earth shall slumber, lapt in
universal law."

What does the NAACP mean to me? It means that Tennyson's visions, Minnijean Brown's vision, the vision of Negroes in Montgomery, Clarendon County and Negroes everywhere, the visions of men who died and were killed for our cause—some simply because they were NAACP members—your visions and my visions of a true democracy will become a reality. It means hope, cour-

August 12, 1958

13. ONION FUTURES. Received the conference report on H. R. 376, to prohibit trading in onion futures in commodity exchanges (H. Rept. 2559). (pp. 15633-34, 15661). As reported the bill "retains onions as a commodity subject to the provisions of the Commodity Exchange Act, thus continuing the authority which the Commodity Exchange Authority has under that act to take action against anyone who shall manipulate or attempt to manipulate the price of onions in the cash market," and "retains the language of the Senate amendment which makes the making of an onion-futures contract a misdemeanor and providing a criminal penalty for such a violation of the act. Thus, in the event that there should be further trading in onion futures, criminal charges could be based directly on the legislation herewith reported, instead of under the provisions of the Commodity Exchange Act."
14. WATER POLLUTION. Concurred in the Senate amendments to H. R. 6701, to grant the consent of Congress to the Tennessee River Basin Water Pollution Control Compact. This bill will now be sent to the President. pp. 15644-45
15. AREA REDEVELOPMENT. The Rules Committee reported a resolution for consideration of S. 3683, to establish an effective program to alleviate conditions of substantial and persistent unemployment in certain economically depressed areas. p. 15660
Rep. Flood stated that "unemployment persists throughout the land," inserted a table indicating rural areas and labor market areas "suffering from substantial labor surplus," and inserted correspondence urging enactment of legislation for the relief of economically depressed areas. pp. 15652-58
16. PURCHASING; LEASES. A subcommittee of the Government Operations Committee ordered reported H. R. 10565, with amendment, to improve opportunities for small business concerns to obtain a fair proportion of Government purchases and contracts; and S. 3142, to extend the authority to lease out Federal building sites until needed for construction purposes. p. D836
17. PERSONNEL. Passed under suspension of the rules S. 1903, to provide that Presidential appointees who serve specific terms of more than 2 years overseas shall be entitled to travel expenses, the same as other Federal employees, when they return to their place of residence at the end of their tour of duty. pp. 15610-11
18. RESEARCH. Received from the Government Operations Committee a report "pertaining to research and development"; (H. Rept. 2552). p. 15661
19. RECLAMATION. Agreed to S. Con. Res. 113, to request the President to return for technical revision and re-enrollment the enrolled bill. S. 4002, to authorize the Interior Department to operate and construct the Grey Reef Dam and Reservoir as part of the Glendo unit, Missouri River project. p. 15573
Passed under suspension of the rules S. 4009, to increase the authorization for construction of the Washoe reclamation project, Calif.-Nev. This bill will now be sent to the President. p. 15607
Passed under suspension of the rules H. J. Res. 585, to authorize studies and a report on service to certain Calif. counties from the Central Valley project. pp. 15608-9
20. SURPLUS PROPERTY. Passed under suspension of the rules H. R. 13673, to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer fire-fighting organizations. pp. 15584-90, 15598

21. SALINE WATER. Passed under suspension of the rules S. J. Res. 135, to authorize the Interior Department to construct and operate demonstration plants for the production of water fit for consumption and use from brackish or saline waters. pp. 15598-604

Received from the Government Operations Committee its 31st report on the saline water program (H. Rept. 2551). p. 15660

22. LEGISLATIVE PROGRAM. Rep. McCormack announced that the following bills will be considered under suspension of the rules Wed., Aug. 13: S. 3333, to facilitate insured loans under Bankhead-Jones Act; H. R. 8002, the accrued expenditures budgeting bill; H. R. 10360, to extend the Mexican farm labor program; and H. R. 13254, the chemical food additive bill. p. 15645

ITEMS IN APPENDIX

23. WATER RESOURCES. Sen. Wiley inserted an article, "Agreement Sought for Columbia River Program--United States and Canada Tackle Differences." pp. A7206-7

Rep. Engle inserted excerpts of a speech he made discussing a "new approach" to water development, "New Federal-State Relationship in Developing California's Water Resources." pp. A7209-11

BILLS INTRODUCED

24. CONTRACTS. H. R. 13744, by Rep. Hyde, to improve opportunities for small business concerns to obtain a fair proportion of Government purchases and contracts, to facilitate procurement of property and services by the Government; to Government Operations Committee.

25. RIVER BASINS. S. 4266, by Sen. Johnson, Tex., to establish the U. S. Study Commission on the Neches, Trinity, Brazos, Colorado, Guadalupe-San Antonio, Nueces, and San Jacinto River Basins, and intervening areas; to Public Works Committee. Remarks of author. pp. 15665-6

26. FOREIGN AID. S. 4267, by Sen. Javits (for himself and others), to establish a corporation to expand materially the flow of private U. S. investment primarily into the private economies of the less developed areas of the world -- the corporation to be called the World Development Corporation; to Banking and Currency Committee. Remarks of Sen. Javits. pp. 15666-8

27. FOREIGN TRADE. S. 4272, by Sen. Flanders (for himself and others), to establish a Commission on International Trade Agreement Policy; to Finance Committee. Remarks of Sen. Flanders. pp. 15669-70

28. FISCAL PROBLEMS. S. J. Res. 197, by Sen. Bush, to establish a Commission on the long-range fiscal problems of the U. S.; to Finance Committee. Remarks of author. pp. 15670-1

29. APPROPRIATION. S. J. Res. 198, by Sen. Bush, proposing an amendment to the Constitution of the United States to give the President item veto powers over appropriations bills and authorizations to borrow money directly from the Treasury; to Judiciary Committee. Remarks of author. pp. 15671-2

BILLS APPROVED BY THE PRESIDENT

30. CIVIL DEFENSE. H. R. 7576, which permits the expansion of the civil defense activities of the Federal Government in order to achieve a more effective total national defense program. Approved August 8, 1958 (Public Law 85-606, 85th Congress).

PROHIBITING FUTURES TRADING IN ONIONS

AUGUST 12, 1958.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 376]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That (a) no contract for the sale of onions for future delivery shall be made on or subject to the rules of any board of trade in the United States. The terms used in this Act shall have the same meaning as when used in the Commodity Exchange Act.*

(b) Any person who shall violate the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof be fined not more than \$5,000.

SEC. 2. This Act shall take effect thirty days after its enactment.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

HAROLD D. COOLEY,
CLARK W. THOMPSON,
VICTOR ANFUSO,
WILLIAM S. HILL,
SID SIMPSON,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
JAMES O. EASTLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

H. R. 376 passed the House on March 13, 1958, and was amended in the Senate by striking out all after the enacting clause and inserting different language approved by the Senate.

The essential difference between the House bill and the Senate amendment was that the bill as adopted by the House prohibited trading in onion futures by keeping onions within the jurisdiction of the Commodity Exchange Authority and applying the sanctions of the Commodity Exchange Act to enforce the ban on trading in onion futures. The Senate amendment took the opposite approach to the same objective, removed onions from the Commodity Exchange Act and the jurisdiction of the Commodity Exchange Authority, established a flat prohibition against trading in onion-futures contracts, and provided criminal penalties for the violation of that prohibition.

The amendment reported herewith combines the provisions of the House bill and the Senate amendment and was agreed to by the conferees as a substitute for the Senate amendment. Its major features are:

(1) It retains onions as a commodity subject to the provisions of the Commodity Exchange Act, thus continuing the authority which the Commodity Exchange Authority has under that act to take action against anyone who shall manipulate or attempt to manipulate the price of onions in the cash market.

(2) It retains the language of the Senate amendment which makes the making of an onion-futures contract a misdemeanor and providing a criminal penalty for such a violation of the act. Thus, in the event that there should be further trading in onion futures, criminal charges could be based directly on the legislation herewith reported, instead of under the provisions of the Commodity Exchange Act.

HAROLD D. COOLEY,
CLARK W. THOMPSON,
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WILLIAM S. HILL,
SID SIMPSON,
Managers on the Part of the House.



on trumped-up arguments." General Swing fumes. "Everybody is entitled to his day in court, but these series of appeals are designed to delay deportation for years. Legislation was introduced in both Houses of Congress in 1957 which would limit deportees to one judicial review of their cases, but the measure still is in committee.

After an alien is wrapped up and tagged for return shipment abroad, the INS may run into another headache. All governments maintaining diplomatic relations with the United States honor reciprocal agreements to accept deported nationals—with the exception of the Iron Curtain countries. As a consequence, we are stuck with 2,700 undesirable characters, half of whom are criminals and moral offenders. The Russians and their satellites occasionally issue a visa to a native they have been refusing to take for several years. Although hoods hardly are secret-agent types, they get around strange places and are useful for strong-arm work. INS people suspect the visas are rewards for undercover activities.

Italy has objected frequently to the heavy load of bad eggs we have dumped on it in recent years, protesting that some of the lowest specimens are products of American society. It is a valid complaint; many deportees emigrated as young children and grew up in the slums that breed vice in our cities. Further, their respect for the law was debased by corrupt police of that era who did nothing to protect Italians, the largest foreign-born group in the country, from the systematic terrorism of the Mafia, the oldest and most powerful criminal conspiracy in the world.

The Mafia's origins go back to 1799, when wealthy landowners in Sicily hired local goon squads to guard their property during the upheaval that followed Napoleon's invasion of Italy. The gangs quickly turned on their masters and extracted huge tributes for protecting them, then formed a confederation that bled the peasants white. Within a quarter century the Mafia had Sicily under its thumb and began to branch out into the underworlds of Europe and North Africa.

The first American beachhead of the Mafia was at New Orleans in 1860. Thirty years later it tried to seize control of the town by murdering Police Chief David Hennessy. Eleven men were indicted, but an intimidated jury acquitted six. On March 14, 1891, an infuriated mob led by prominent citizens stormed a jail when 19 Italians were held, and lynched 11. The Mafia pulled in its horns and concentrated on gambling, prostitution, and blackmail rackets among Italian immigrants, but prohibition brought an eruption of activity on a national scale.

Bootlegging was made to order for the Mafia's tight organization. Members owned businesses that were ideal blinds for stills. They had trucks for delivering the stuff. Above all, they had the trusted manpower for eliminating competition and hijacking rivals' shipments. Frank Costello is reputed to have made his first big score by stealing a \$700,000 cache of booze he had been hired to guard for a Chicago mobster. In 1921 the New York police attributed 150 unsolved murders and disappearances during the 2 previous years to the Mafia. Professional killers carried out their orders without fear of betrayal, for the one inflexible Mafia rule that brings certain death to violators is the omerta, the code of silence. Members have committed intramural murder, adultery, and rape, but there is not a single recorded instance of an authentic Mafiosi breaking the omerta as a stool pigeon.

The repeal of prohibition turned the wheel full circle for the Mafia, with modern refinements. Looking for a soft touch to replace bootlegging, the syndicate found it in the then-turbulent field of labor relations, a

throwback to the good old days in Sicily. The boys played both ends against the middle by muscling into firms that had hired them to suppress organized labor and, at the same time, gaining control of key spots in unions. The Senate Rackets Committee's hearings last winter gave an indication of the enormous income this double squeeze has brought the Mafia. Through the years, though, its stock in trade has been the dope traffic, which returns fantastic profits upward of 2,200,000 percent.

The retail price of opium today is \$15 a kilogram in Turkey, the Western World's chief source of narcotics for medicinal purposes since supplies were cut off from Communist China. The poppy plant is grown under the supervision of the Turkish Government for distribution to legitimate pharmaceutical outlets, but some raw opium inevitably is diverted to the black market. It is processed in Syria, then shipped to France, where a Corsican gang converts the stuff into heroin. Luciano then takes over and smuggles the dope into the United States through merchant seamen. Here the pure heroin is cut 20 to 25 times with milk and lactic sugar before the pushers sell it to addicts.

Now, then, there are 15,432 grains in a kilogram. After the heroin is cut—22 times is a conservative figure—a kilogram produces approximately 340,000 grains, and the going price to addicts is \$1 a grain. Divide \$340,000 by \$15, the original cost, and you get a profit margin of more than 2,200,000 percent.

The Mafia pays out about 10 percent of the loot to intermediaries of other nationalities to avoid gang warfare, a policy adopted in the 1920's. In America, the Mafia has collaborated with Irish, Jewish, Polish, Greek, and Mexican mobs, and it is currently lining up with Negro and Puerto Rican dope peddlers. These uneasy alliances are controlled by Sicilians who hold virtually all the seats on the grand council and consolidate their power through blood and business relationships. When I asked General Swing to trace some of these ties, he called in two veteran undercover agents to give me a first-hand briefing.

"I'll limit the list to a few conspicuous examples or you'll wind up with a roster an inch thick," one of them said. "For an opener, Lucky Luciano was the best man at Joe Adonis' wedding. You can't appreciate what a great honor that is unless you're a pesano yourself." Frank Costello and Carlos Marcello own pieces of a gambling house in New Orleans. Joe Profaci, an elder statesman, is related by marriage to Joe Magliocco, also a big wheel in Brooklyn. Johnny Dio is a nephew of James Plumer, a ranking power in the trucking racket in New York's garment district. One of the glittering social events of our time was the marriage of John Montana's nephew to the daughter of Steve Magaddino, who runs everything in Niagara Falls but the cascades.

"The Statler Hotel in Buffalo was taken over for the affair and was decked out more lavishly than Buckingham Palace," the other man recalled. He was there as an uninvited spectator. "The guests of honor were a hundred thugs from all over the country, and for each one there were two Federal agents and detectives casting the crowd. Even Costello was there, the last time he showed up at an open Mafia clambake. He held court in the best suite in the house, and when he went down to the lobby the underlings bowed and scraped as though he was giving Christmas baskets to the peasants."

After the wedding and the Apalachin convention 11 years later, commentators criticized law-enforcement agencies for failing to give foreign-born criminals the bum's rush. Actually, the INS had been investigating for possible deportation and denaturalization action fully 60 percent of the

34 native Italians picked up at Apalachin, and it previously had exiled a score of Mafia ringleaders.

Officially there are 3 million aliens in the United States, but no one knows how many more have come in illegally. Every day dozens of stowaways and merchant seamen try to sneak in through 116 salt-water ports. In 1957 more than 10,000 deserters from ships were caught, but many inevitably got away.

Difficult as it is, the job of patrolling the Nation's boundaries is the least of the INS's headaches. After working for months to get an alien criminal dead to rights, it frequently sees cases thrown out of court on obscure technicalities and capricious rulings. Worse yet, hoods have succeeded in canceling deportation orders by getting State pardons for crimes. In recent years ex-convicts Sam Taran, Ike Saperstein, and Dom Anzalone have been granted such pardons by Minnesota, Maryland, and Pennsylvania, respectively.

Now and then, however, an INS agent gets a soul-satisfying lift that gives him the courage to carry on. An oldtimer likes to recall the deportation order he slapped on Pete Lampeses, a Greek who had been forcing girls into prostitution for 20 years.

"We were walking through the Buffalo station to get a train for New York," he says, "when Pete, a fat, repulsive hulk, suddenly dropped to his knees and began to blubber like a baby. 'You're sending me to death,' he bawled. 'I'll die in Greece.' The best part of the whole thing was that Pete still was young and he had a long time to suffer."

THE SPEAKER. The question is, Will the House suspend the rules and pass the bill, as amended?

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

TRADING IN ONION FUTURES IN COMMODITY EXCHANGES

Mr. POAGE submitted the following conference report and statement on the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges:

CONFERENCE REPORT (H. REPT. NO. 2559)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That (a) no contract for the sale of onions for future delivery shall be made on or subject to the rules of any board of trade in the United States. The terms used in this Act shall have the same meaning as when used in the Commodity Exchange Act.

"(b) Any person who shall violate the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof be fined not more than \$5,000.

"SEC. 2. This Act shall take effect thirty days after its enactment."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

HAROLD D. COOLEY,
CLARK W. THOMPSON,
VICTOR ANFUSO,
WILLIAM S. HILL,
SID SIMPSON,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
JAMES O. EASTLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

H. R. 376 passed the House on March 13, 1958, and was amended in the Senate by striking out all after the enacting clause and inserting different language approved by the Senate.

The essential difference between the House bill and the Senate amendment was that the bill as adopted by the House prohibited trading in onion futures by keeping onions within the jurisdiction of the Commodity Exchange Authority and applying the sanctions of the Commodity Exchange Act to enforce the ban on trading in onion futures. The Senate amendment took the opposite approach to the same objective, removed onions from the Commodity Exchange Act and the jurisdiction of the Commodity Exchange Authority, established a flat prohibition against trading in onion-futures contracts, and provided criminal penalties for the violation of that prohibition.

The amendment reported herewith combines the provisions of the House bill and the Senate amendment and was agreed to by the conferees as a substitute for the Senate amendment. Its major features are:

(1) It retains onions as a commodity subject to the provisions of the Commodity Exchange Act, thus continuing the authority which the Commodity Exchange Authority has under that act to take action against anyone who shall manipulate or attempt to manipulate the price of onions in the cash market.

(2) It retains the language of the Senate amendment which makes the making of an onion-futures contract a misdemeanor and providing a criminal penalty for such a violation of the act. Thus, in the event that there should be further trading in onion futures, criminal charges could be based directly on the legislation herewith reported, instead of under the provisions of the Commodity Exchange Act.

HAROLD D. COOLEY,
CLARK W. THOMPSON,
VICTOR ANFUSO,
WILLIAM S. HILL,
SID SIMPSON,

Managers on the Part of the House.

AMENDMENT OF PACKERS AND STOCKYARDS ACT

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 9020) to amend the Packers and Stockyards Act, 1921, as amended, and for other purposes, with amendments.

The Clerk read as follows:

Be it enacted, etc., That the Packers and Stockyards Act, 1921, as amended (42 Stat.

159, as amended; 7 U. S. C. 181 and the following), is amended as follows:

(1) By amending section 202 by inserting after the word "unlawful" the words "with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products."

(2) By amending section 406 by striking out subsection (b) and inserting in lieu thereof the following:

(b) The Federal Trade Commission shall have power and jurisdiction over any matter involving meat, meat food products, livestock products in unmanufactured form, or poultry products, which by this act is made subject to the power or jurisdiction of the Secretary, as follows:

(1) When the Secretary in the exercise of his duties requests of the Commission that it make investigations and reports in any case.

(2) In any investigation of, or proceeding for the prevention of, an alleged violation of any act administered by the Commission, arising out of acts or transactions involving meat, meat food products, livestock products in unmanufactured form, or poultry products, if the Commission determines that effective exercise of its power or jurisdiction with respect to retail sales of any such commodities is or will be impaired by the absence of power or jurisdiction over all acts or transactions involving such commodities in such investigation or proceeding. In order to avoid unnecessary duplication of effort by the Government and burdens upon the industry, the Commission shall notify the Secretary of such determination, the reasons therefor, and the acts or transactions involved, and shall not exercise power or jurisdiction with regard to acts or transactions (other than retail sales) involving such commodities if the Secretary within 10 days from the date of receipt of the notice notifies the Commission that there is pending in his Department an investigation of, or proceeding for the prevention of an alleged violation of this act involving the same subject matter.

(3) Over all transactions in commerce in margarine or oleomargarine and over retail sales of meat, meat food products, livestock products in unmanufactured form, and poultry products.

(c) The Federal Trade Commission shall have no power or jurisdiction over any matter which by this act is made subject to the jurisdiction of the Secretary, except as provided in subsection (b) of this section.

(d) The Secretary of Agriculture shall exercise power or jurisdiction over oleomargarine or retail sales of meat, meat food products, livestock products in unmanufactured form, or poultry products only when he determines, in any investigation of, or any proceeding for the prevention of, an alleged violation of this act, that such action is necessary to avoid impairment of his power or jurisdiction over acts or transactions involving livestock, meat, meat food products, livestock products in unmanufactured form, poultry or poultry products, other than retail sales thereof. In order to avoid unnecessary duplication of effort by the Government and burdens upon the industry, the Secretary shall notify the Federal Trade Commission of such determination, the reasons therefor, and the acts or transactions involved, and shall not exercise power or jurisdiction with respect to acts or transactions involving oleomargarine or retail sales of meat, meat food products, livestock products in unmanufactured form, or poultry products if the Commission within 10 days from the date of receipt of such notice notifies the Secretary that there is pending in the Commission an investigation of, or proceeding for the prevention of, an alleged violation of any act administered by the Commission involving the same subject matter.

(e) The Secretary of Agriculture and the Federal Trade Commission shall include in their respective annual reports information with respect to the administration of subsections (b) and (d) of this section."

SEC. 2. Said act is further amended—

(1) by striking out the words "at a stockyard" from sections 301 (c) and 301 (d);

(2) by striking out the last sentence of section 302 (a): "provided, however, That nothing herein shall be deemed a definition of the term 'public stockyards' as used in section 15 (5) of the Interstate Commerce Act."

(3) by inserting after the first sentence in section 303 the following sentence: "Every other person operating as a market agency or dealer as defined in section 301 of the act may be required to register in such manner as the Secretary may prescribe."

(4) by amending section 311 by striking out the words "stockyard owner or market agency" wherever they occur and inserting "stockyard owner, market agency, or dealer" and by striking out "stockyard owners or market agencies" and inserting "stockyard owners, market agencies, or dealers";

(5) by striking out the words "at a stockyard" from section 312 (a).

SEC. 3. Subsection 6 of section 5 (a) of the Federal Trade Commission Act (15 U. S. C. 45 (a) (6)) is amended by striking out "persons, partnerships or corporations subject to the Packers and Stockyards Act, 1921, except as provided in section 406 (b) of said act", and substituting therefor the following: "persons, partnerships, or corporations insofar as they are subject to the Packers and Stockyards Act, 1921, as amended, except as provided in section 406 (b) of said act."

SEC. 4. Section 407 of the Packers and Stockyards Act, 1921, as amended, is amended (1) by inserting "(a)" immediately after "Sec. 407." and (2) by adding at the end thereof the following new subsection:

"(b) The Secretary shall maintain within the Department of Agriculture a separate enforcement unit to administer and enforce title II of this act."

The SPEAKER. Is a second demanded?

Mr. THOMSON of Wyoming. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. POAGE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker and Members of the House, this bill originates as the result of a decision of the Federal Trade Commission about a year or two years ago in the Food Fair case. The Food Fair is a chain of supermarkets. It was formally under the control of the Federal Trade Commission, but under the existing packers and stockyards act, any institution or individual that owns or controls or even owns stock in a packing-house becomes a packer under the law and the control of the institution so far as fair trade practices and so forth then vests in the Department of Agriculture and the Federal Trade Commission loses jurisdiction. Having tested that successfully in the case of Food Fair a great many of our grocery chains have within the past year adopted this method of escaping control at the hands of the Federal Trade Commission. I believe there are some 15 at the present time of the national chains that have bought an interest in a packing house so as to avoid control by the Federal Trade Com-

HOUSE - August 15

12. AREA REDEVELOPMENT. Passed with amendments, 176 to 130, S. 3683, to establish an effective program to alleviate conditions of substantial unemployment in economically depressed areas. (pp. 16342-408) Rejected, 79 to 106, an amendment, in the nature of a substitute for the bill, by Rep. Fenton. Rep. Fenton explained that his proposed substitute amendment was the same as his bill H. R. 5468, "which I introduced for the administration on February 28, 1957". (pp. 16389-94) Rejected, 170 to 188, a motion by Rep. Hiestand to recommit the bill to the Banking and Currency Committee. (p. 16408)
13. ONION FUTURES. Agreed to the conference report on H. R. 376, to prohibit trading in onion futures. This bill will now be sent to the President. p. 16335
14. DISASTER LOANS. The Agriculture Committee reported with amendment S. 304, to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas (H. Rept. 2650). p. 16429
15. CROP INSURANCE. The Agriculture Committee reported with amendment H. R. 13262, to eliminate the prohibition against crop insurance being made available to certain counties which do not have wide participation in the program (H. Rept. 2646). p. 16429
16. FORESTRY. The Agriculture Committee reported without amendment S. 3741, to provide regular national forest status to most lands under the jurisdiction of the Forest Service (H. Rept. 2638). p. 16429
17. RESEARCH. The Interstate and Foreign Commerce Committee reported with amendment S. 4039, to authorize the head of any Government agency now making contracts for research to grant funds for the support of such research (H. Rept. 2640), and H. R. 11257, to make various amendments regarding administration of the National Science Foundation (H. Rept. 2648). p. 16429
18. MILITARY CONSTRUCTION. Conferees were appointed on H. R. 13489, military construction appropriation bill for 1959. p. 16320
19. PALM OIL; TAXATION. Passed as reported H. R. 10239, to amend the Internal Revenue Code of 1954 so as to exempt palm oils from tax during the first domestic processing until June 30, 1960. p. 16332
20. BUTTER; CHEESE. Passed as reported S. 2006, to amend the Internal Revenue Code of 1954 so as to relieve the Surgeon General of the Army and Navy from sitting with the Secretary of Agriculture on appeals boards to decide appeals from the decision of the Secretary of the Treasury on cases involving deleterious substances in butter or oleomargarine or in any substance used in the manufacture of so-called filled cheese. pp. 16332-3
21. WATER RESOURCES. Passed as reported S. 4021, to establish the U. S. Study Commission on the Savannah, Altamaha, St. Marys, Apalachicola-Chattahoochee, and Perdido-Escambia River Basins. The House amendment replaces the Alabama-Coosa River Basin with the Perdido-Escambia River Basin. pp. 16335-7
22. FARM PROGRAM. Rep. Hoffman objected to Rep. Cooley's request for unanimous consent to agree to Senate's request for a conference on S. 4071, the farm bill. p. 16410

23. MINERALS. The Rules Committee reported a resolution for consideration of S. 4036, to provide production payments to stabilize the production of certain minerals. pp. 16411-2, 16429
24. EDUCATION. The Education and Labor Committee reported without amendment H. R. 13241, to provide assistance to the States for area vocational education programs (H. Rept. 2649). p. 16429
25. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 13523, to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas reclamation project. pp. 16412, 16429
26. PERSONNEL. Conferees were appointed on S. 25, to specify the effective date upon which changes in pay of wage-board employees shall begin following the start of a survey. Senate conferees have been appointed. p. 16412
Conferees were appointed on H. R. 7710, to provide for the lump sum payment of all accumulated and accrued annual leave of deceased employees.
Senate conferees have not been appointed. p. 16412
27. SMALL BUSINESS. Passed without amendment S. 3224, to improve opportunities small business concerns to obtain a fair proportion of Government purchases and contracts. This bill will now be sent to the President. p. 16414
28. HOUSING. Rep. Hiestand inserted a summary of H. R. 13776, the proposed Housing Act of 1958. pp. 16414-5
29. PROPERTY; LEASES. The Government Operations Committee ordered reported S. 3142 to extend GSA authority to lease out Federal building sites until needed for construction purposes. p. D860
The Government Operations Committee adopted a report, "Importation of Foreign Excess Property." p. D860
30. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program: Mon., Aug. 18: Consent Calendar; and the following under suspension of the rules: S. 4035, housing bill; H. R. 13067, food stamp bill; S. 4039, increased funds for research; and H. R. 13241, vocational education bill; Tu and remainder of the week: Private Calendar; S. 1764, D. C. school lunch bill and S. 4036, minerals stabilization payments bill. pp. 16909-10
31. ADJOURNED until Mon., Aug. 18. p. 16428

SENATE - August 16

32. FARM PROGRAM. Agreed to a motion by Sen. Ellender requesting the House to return S. 4071, the farm bill, to the Senate for considering agreeing to the House amendments to the bill. Sens. Mundt and Thye criticized this action. pp. 16508, 16510-11
33. FOREIGN TRADE; SURPLUS COMMODITIES. Conferees were appointed on S. 3420, to extend Public Law 480. House conferees have not been appointed. pp. 16520-21
34. FORESTRY. Sen. Jackson criticized Federal timber sales policies, stating that "I am disappointed that the Forest Service has not met its timber sales goals, that "it is high time that the secretariat for the Department of Agriculture and the bureaucracy of the Budget Bureau to take off their blinders and look to the goals that must be achieved," and inserted tables on timber sales administration and management, and Forest Service appropriated funds for the past several years. pp. 16497-99

spread of obscene materials, it deserves the vigorous stamp of approval of Congress. It will go a long way toward wiping off the map of America the vile tripe and sordid literature by means of which a few unscrupulous operators are poisoning the minds of our young people.

I urge support of the conference report on H. R. 6239.

THE SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

RESTORING RETIRED PAY TO RETIRED OFFICERS DROPPED FROM THE ROLLS

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9673) to amend title 10, United States Code, to provide the conditions under which retired pay may be paid in the case of retired officers dropped from the rolls, and for other purposes, with Senate amendments thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert: "That notwithstanding any other provision of law, a former retired officer dropped from the rolls under section 10 of the act of May 5, 1950, ch. 169 (64 Stat. 146), or section 1161 of title 10, United States Code, after December 31, 1954, and before the date of enactment of this act shall, for the purposes of entitlement to retired or retirement pay after the date of enactment of this act, be treated as if he had not been dropped from the rolls. Such an officer is also entitled to retroactive retired or retirement pay for the period beginning on the date he was dropped from the rolls and ending on the date of enactment of this act, as if he had not been dropped from the rolls.

"SEC. 2. A former retired officer covered by this act is subject to the penal, prohibitory, and restrictive provisions of law applicable to the pay and civil employment of retired officers of the Armed Forces and is not entitled to any other benefit provided by law or regulation for retired officers of the Armed Forces. After the date of enactment of this act, such a former retired officer may, in the discretion of the President, have his entitlement to retired or retirement pay under this act terminated for any reason for which any retired officer may be dismissed from, or dropped from the rolls of, any Armed Force.

"SEC. 3. Appropriations available for the payment of retired pay to members of the Armed Forces are available for payments under this act."

Amend the title so as to read: "An act to restore retired pay to those retired officers of the Armed Forces dropped from the rolls after December 31, 1954, and before the date of enactment of this act, and for other purposes."

THE SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

RETIREMENT BENEFITS OF CERTAIN DEFENSE PERSONNEL

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7706) to entitle members of the Army, Navy, Air Force, or Marine Corps retired after 30 years' service to retired pay equal to 75 percent of the monthly basic pay authorized for the highest enlisted, warrant, or commissioned grade in which they served satisfactorily during World War I, and for other purposes, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, strike out all after line 2 over to and including line 3 on page 2 and insert: "That any enlisted member retired with credit for 30 years' service in the Army, Navy, Air Force, or Marine Corps, which service includes double time credit under previous laws for service beyond the continental limits of the United States between 1898-1912, is entitled to retired or retirement pay as follows:

"(1) A member retired before June 1, 1958, is entitled to the maximum retired or retirement pay provided at the time of his retirement, as thereafter increased by law, for (A) the grade in which he was first retired, or (B) the highest enlisted, warrant, or commissioned officer grade in which he served satisfactorily during World War I; whichever is greater.

"(2) A member first retired after May 31, 1958, is entitled to the maximum retired pay provided by the rates in effect at the time of his retirement for (A) the grade in which he retired; or (B) the highest enlisted, warrant, or commissioned officer grade in which he served satisfactorily during World War I; whichever is greater."

Page 2, after line 16, insert:

"Sec. 4. No person is entitled to an increase in retired or retirement pay because of this act for any period before the enactment of this act."

THE SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ADDITIONAL PEREMPTORY CHALLENGES IN CERTAIN CIVIL CASES

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3368) to amend section 1870 of title 28, United States Code, to authorize the district courts to allow additional peremptory challenges in civil cases to multiple plaintiffs as well as multiple defendants, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference with the Senate on the disagreeing votes of the two Houses.

The Clerk read the title of the bill.

THE SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CELLER, WALTER, HOLTZMAN, KEATING, and CRAMER.

TRADING IN ONION FUTURES IN COMMODITY EXCHANGES

Mr. POAGE. Mr. Speaker, I call up the conference report on the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report.

The Clerk read the title of the bill.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, will the gentleman explain what this is about?

Mr. POAGE. This is a conference report on the onion futures bill. The House passed a bill prohibiting trading in onion futures.

The Senate changed the wording of the bill, leaving in all of the substance, but making it possible for prosecution to take place either under the Securities and Exchange Act or under this act and providing a penalty of \$5,000. The effect of the whole bill when adopted will be to prohibit trading in onion futures.

We discussed this matter fully on the floor of the House and it was the feeling of those who favored the legislation that there was a good deal of money being made at the expense of the producers of onions by those who traded in onion futures when there were no onions on the market. The producers feel this futures trading is making the price of onions too high when there are few onions and too low when there are plenty of onions.

There were considerable hearings in the Committee on Agriculture on this. Apparently all of the people who are producing onions want to stop the trading, and all of the people who are trading in onions, of course, wanted to continue trading.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Michigan.

Mr. HOFFMAN. What does this do?

Mr. POAGE. This stops trading in onions which do not exist. It prevents selling contracts for the future delivery of onions.

Mr. HOFFMAN. Does this get rid of the trading?

Mr. POAGE. Yes, and provides a \$5,000 penalty for violation.

THE SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 12, 1958.)

The conference report was agreed to, and a motion to reconsider was laid on the table.

STUDY COMMISSION ON SOUTHEASTERN RIVER BASINS

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 4021) to establish the United States

Study Commission on the Savannah, Altamaha, St. Marys, Apalachicola-Chattahoochee, and Alabama-Coosa River Basins, and intervening areas.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc. That the purpose of this act is—

(a) to provide for an integrated and cooperative investigation, study, and survey by a Commission created pursuant to this act and composed of representatives of certain departments and agencies of the United States, and of certain States enumerated in this section, in connection with, and in promotion of, the conservation, utilization, and development of the land and water resources of the Savannah, Altamaha, St. Marys, Apalachicola-Chattahoochee, and Alabama-Coosa River Basins (and intervening areas) in the States of South Carolina, Georgia, Florida, and Alabama in order to formulate a comprehensive and coordinated plan for—

- (1) flood control and prevention;
- (2) domestic and municipal water supplies;
- (3) the improvement and safeguarding of navigation;
- (4) the reclamation and irrigation of land, including drainage;
- (5) possibilities of hydroelectric power and industrial development and utilization;
- (6) soil conservation and utilization;
- (7) forest conservation and utilization;
- (8) preservation, protection, and enhancement of fish and wildlife resources;
- (9) the development of recreation;
- (10) salinity and sediment control;
- (11) pollution abatement and the protection of public health; and
- (12) such other beneficial and useful purposes not herein enumerated; and

(b) to formulate, within the time provided for in section 9 of this act, a basic, comprehensive and integrated plan of development of the land and water resources within the area described in this section for submission to, and consideration by, the President and the Congress, and to make recommendations, after adequate study, for executing and keeping current such plan. It is not the purpose of this act to create any continuing or permanent instrumentality of the Federal Government or to take from, or reassign, the duties and powers of any department or agency of the United States represented on the Commission, except as herein provided in this act.

SEC. 2. In carrying out the purposes of this act it shall be the policy of Congress to—

(1) recognize and protect the rights and interests of the States in determining the development of the watersheds of the rivers herein mentioned and their interests and rights in water utilization and control, as well as the preservation and protection of established uses;

(2) protect existing and authorized projects and projects under construction whether public or private;

(3) utilize the services, studies, surveys, and continuing investigational programs of the departments, bureaus, and agencies of the United States;

(4) recognize an important body of existing Federal law affecting the public lands, irrigation, reclamation, flood control, grazing, geological survey, national parks, mines, and minerals; and

(5) to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local in-

terests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, irrigation, or multiple purpose projects.

SEC. 3. (a) In order to carry out the purposes of this act, there is hereby established a commission to be known as the United States Study Commission on the Savannah, Altamaha, Saint Marys, Apalachicola-Chattahoochee, and Alabama Coosa River Basins and intervening areas (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of 11 members appointed by the President as follows:

(1) One member, who shall serve as Chairman, and who shall be a resident from the area comprising the Savannah, Altamaha, Saint Marys, Apalachicola-Chattahoochee, and Alabama Coosa River Basins (and intervening areas) embraced within the States referred to in the first section of this act and who shall not, during the period of his service on the Commission, hold any other position as an officer or employee of the United States, except that a retired military officer or a retired Federal civilian officer or employee may be appointed under this act without prejudice to his retired status, and he shall receive compensation as authorized herein in addition to his retired pay or annuity, but the sum of his retired pay or annuity and such compensation as may be payable hereunder shall not exceed \$12,000 in any one calendar year;

(2) Six members, of whom one shall be from the Department of the Army, one from the Department of Commerce, one from the Department of Health, Education, and Welfare, one from the Department of Agriculture, one from the Department of Interior, and one from the Federal Power Commission; and

(3) Four members, upon the recommendation and nomination, subject to the provisions of subsection (c) of this section, of the respective governors of each of the following States: South Carolina, Georgia, Florida, and Alabama.

(c) In the event of the failure of the governor of any of the States referred to in subsection (b) of this section to recommend and nominate a person or persons in accordance with the provisions of paragraph (3) of subsection (b) of this section satisfactory to the President within 60 days after a request by the President for such recommendation and nomination, the President shall then select and appoint a qualified resident from such State which failed to submit a satisfactory recommendation and nomination.

(d) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

(e) Within 30 days after the appointment of the members of the Commission by the President, and funds have been made available by the Congress as provided for in this act, the Commission shall organize for the performance of its functions.

(f) The Commission shall elect a Vice Chairman from among its members.

(g) Six members of the Commission, of whom at least three shall have been appointed pursuant to subsection (b) (3) or (c) of this section, shall constitute a quorum for the transaction of business.

(h) Members of the Commission shall report from time to time to their respective departments or agencies, or to their respective governors if appointed pursuant to subsection (b) (3) or (c) of this section, on the work of the Commission, and any comments and suggestions pertaining to such work from such departments, agencies, or governors shall be placed before the Commission for its consideration.

(i) The Commission shall cease to exist within 3 months from the date of its sub-

mission to the President of its final report as provided for in section 9 of this act. All property, assets, and records of the Commission shall thereupon be turned over for liquidation and disposition to such agency or agencies in the executive branch as the President shall designate.

SEC. 4. The Commission may, for the purpose of carrying out the provisions of this act, hold such hearings, sit and act at such times and places, take such testimony, administer such oaths, and publish so much of its proceedings and the reports thereon as it may deem advisable; lease, furnish, and equip such office space in the District of Columbia and elsewhere as it may deem necessary; use the United States mails in the same manner and upon the same conditions as departments and agencies of the United States Government; have printing and binding done in its discretion by establishments other than the Government Printing Office; employ and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended; purchase or hire, operate, maintain, and dispose of such vehicles as it may require; secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman, and employees of the departments or agencies from which persons have been appointed to the Commission pursuant to section 3 (b) (2) of this act may be assigned upon request by the Chairman of the Commission to temporary duty with the Commission without loss of seniority, pay, or other employee status; pay travel in accordance with standardized Government travel regulations and other necessary expenses incurred by it, or any of its officers or employees, in the performance of duties vested in such Commission; and exercise such other powers as are consistent with and reasonably required to perform the functions vested in such Commission under this act.

SEC. 5. Responsibility shall be vested in the Chairman for (1) the appointment and supervision of personnel employed under the Commission, (2) the distribution of business among such personnel, and (3) the use and expenditure of funds: Provided, That in carrying out his functions under the provisions of this section, the Chairman shall be governed by the general policies of the Commission.

SEC. 6. (a) Members of the Commission appointed pursuant to section 3 (b) (2) of this act shall receive no additional compensation by virtue of their membership on the Commission, but shall continue to receive the salary of their regular position when engaged in the performance of the duties vested in the Commission. Such members shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Members of the Commission, other than those appointed pursuant to section 3 (b) (2) of this act, shall each receive compensation at the rate of \$50 per day when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties, but the aggregate compensation received by the members of the Commission pursuant to this subsection shall not exceed \$12,000 per annum in the case of the Chairman, and \$7,500 per annum in the

**Public Law 85-839
85th Congress, H. R. 376
August 28, 1958**

AN ACT

72 Stat. 1013.

To prohibit trading in onion futures on commodity exchanges.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) no contract for the sale of onions for future delivery shall be made on or subject to the rules of any board of trade in the United States. The terms used in this Act shall have the same meaning as when used in the Commodity Exchange Act.

(b) Any person who shall violate the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof be fined not more than \$5,000.

Sec. 2. This Act shall take effect thirty days after its enactment. Approved August 28, 1958.

Effective date.

